



HO WAH GENTING BERHAD

(Company No: 199301018185 / 272923-H)

(Incorporated In Malaysia)

NOTES TO FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021

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 period ended 30 April 2021.

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 period ended 30 April 2021.

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:

		Effective date
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 101	: Disclosure of Accounting Policies	01 January 2023
Amendments to MFRS 17	: Insurance Contracts	01 January 2023
Amendments to MFRS 108	: Accounting Policies, Changes in Accounting Estimates and Errors – <i>Definition in Accounting Estimates</i>	01 January 2023
Amendments to MFRS 112	: Income Taxes – <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	01 January 2023

PART A (continued)

2 Significant Accounting Policies (continued)

		Effective date
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 period ended 30 April 2021.

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 from the month of April, and normally will peak in the month of August arising from increase in customers' demand in anticipation of the festive seasons towards year end and the demand will gradually decline from the month of October to March of the following year.

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.

PART A (continued)

7. Issuance and Repayment of Debt and Equity Securities

Private Placement of Shares

On **9 July 2021**, the Company through its adviser, AmInvestment Bank Berhad (“AmInvestment Bank”) had announced that BMSB had approved the Company’s application for an extension of time until **19 January 2022** to complete the implementation of the Private Placement.

On **22 July 2021**, the Company through its adviser, AmInvestment Bank had announced that the Company had on the same date fixed the issue price for the second tranche of the Placement Shares at RM0.2650 per Placement Share (“Second Tranche Issue Price”).

The Second Tranche Issue Price represents a discount of approximately RM0.0287 or 9.77% to the five (5)-day weighted average market price of the Company’s shares up to and including 21 July 2021 of RM0.2937 per share.

The second tranche of the 20,871,000 Placement Shares were listed and quoted on **30 July 2021**. The total proceeds of RM5,530,815 was raised for working capital purposes.

On **13 December 2021**, the Company through its adviser AmInvestment Bank had announced that the Company had on the same date fixed the issue price for the third tranche of the Placement Shares at RM0.2300 per Placement Share (“Third Tranche Issue Price”).

The Third Tranche Issue Price represents a discount of approximately RM0.0008 or 0.35% to the five (5)-day weighted average market price of the Company’s shares up to and including 10 December 2021 of RM0.2308 per share.

The third tranche of the 19,307,000 Placement Shares were listed and quoted on **22 December 2021**. The total proceeds of RM4,440,610 was raised for working capital purposes.

8. Dividends Paid

No dividend was paid in the current quarter under review.

9. The Status of Corporate Proposals

There was no corporate proposal announced during the current quarter.

10. Segmental Reporting

Analysis of the Group’s segmental revenue, results, assets and liabilities for business segments for the financial period ended 31 October 2021 are as follows:

PART A (continued)

10. Segmental Reporting (continued)

Current year's 6 months period ended 31 October 2021	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
Segmental revenue by strategic/functional division units							
External revenue	69	240,038	901	44	241,052	-	241,052
Inter-segment revenue	-	-	-	-	-	-	-
	<u>69</u>	<u>240,038</u>	<u>901</u>	<u>44</u>	<u>241,052</u>	<u>-</u>	<u>241,052</u>
Segmental revenue by regions							
Malaysia	69	7,446	901	44	8,460	-	8,460
The rest of Asia	-	18,486	-	-	18,486	-	18,486
North America	-	214,106	-	-	214,106	-	214,106
	<u>69</u>	<u>240,038</u>	<u>901</u>	<u>44</u>	<u>241,052</u>	<u>-</u>	<u>241,052</u>
Results							
(Loss)/Profit from operations	(3,591)	4,520	(478)	(236)	215	-	215
Finance income	1	4	-	-	5	-	5
Finance costs	(147)	(770)	-	-	(917)	-	(917)
Share of losses of an associate	-	-	-	-	-	(147)	(147)
(Loss)/Profit before income tax expense	<u>(3,737)</u>	<u>3,754</u>	<u>(478)</u>	<u>(236)</u>	<u>(697)</u>	<u>(147)</u>	<u>(844)</u>
Income tax expense	-	(1,042)	(37)	-	(1,079)	-	(1,079)
Net (loss)/profit for the period	<u>(3,737)</u>	<u>2,712</u>	<u>(515)</u>	<u>(236)</u>	<u>(1,776)</u>	<u>(147)</u>	<u>(1,923)</u>
Non-controlling interests	2	-	(35)	1	(32)	-	(32)
Net (loss)/profit attributable to owners of the Company	<u>(3,735)</u>	<u>2,712</u>	<u>(550)</u>	<u>(235)</u>	<u>(1,808)</u>	<u>(147)</u>	<u>(1,955)</u>
Assets and liabilities as at 31 October 2021							
Segment assets - Consolidated total assets	144,069	134,352	10,690	963	290,074	(119,454)	170,620
Segment liabilities - Consolidated total liabilities	16,349	105,142	12,865	298	134,654	(33,278)	101,376
Segmental non-current assets by regions as at 31 October 2021							
Malaysia	110,119	-	209	33	110,361	(94,243)	16,118
The rest of Asia	-	21,349	-	-	21,349	8,647	29,996
	<u>110,119</u>	<u>21,349</u>	<u>209</u>	<u>33</u>	<u>131,710</u>	<u>85,596</u>	<u>46,114</u>

PART A (continued)

11. Valuations of Property, Plant and Equipment

The valuation of property, plant and equipment of the Group have been brought forward without amendment from the previous period 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

During the current financial period, the Company increased its percentage of shareholdings in HWGB Blockchain & Digitaltech Sdn Bhd from 60% to 100% by acquiring 40 ordinary shares from its non-controlling interests for a cash consideration of RM40. HWGB Blockchain & Digitaltech Sdn Bhd has an issued and paid-up capital of RM100 represented by 100 ordinary shares.

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 (2nd Quarter) Current Year Quarter 3 Months 01/08/2021 To 31/10/2021 RM'000	Cumulative Quarters (Year to-date) Current Year todate 6 Months 01/05/2021 to 31/10/2021 RM'000
Revenue	121,165	241,052
(Loss)/Profit from operations	(25)	215
(Loss)/Profit before interest and taxation	(25)	215
Loss before taxation	(669)	(844)
Loss after taxation	(1,249)	(1,923)
Loss attributable to owners of the Company	(1,266)	(1,955)

A. Overall Review of Group's Financial Performance

The Group recorded a revenue of RM241.05 million for the financial period ended 31 October 2021. The Group's revenue is mainly derived from the Moulded Power Supply Cord Sets in Indonesia which represented approximately 99.6% of the total revenue of the Group. The average exchange rate used for the financial period ended 31 October 2021 was RM4.1689/USD.

The loss before taxation of RM0.84 million in the current financial period were due to the followings:

- (i) Loss before taxation of RM3.74 million from the Investment Division;
- (ii) Loss before taxation of RM0.24 million from the Travelling Services Division;
- (iii) Loss before taxation of RM0.48 million from the Healthcare Division;
- (iv) Profit before taxation of RM3.75 million from the Moulded Power Supply Cord Sets Division; and
- (v) Share of loss from an associate of RM0.15 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

	Unaudited	Audited	Changes	
	31/10/2021	30/04/2021	RM’000	%
	RM’000	RM’000		
Non-current assets	46,114	45,905	209	0.5
Current assets	124,506	130,160	(5,654)	-4.3
Current liabilities	(86,939)	(96,581)	(9,642)	-10.0
Non-current liabilities	(14,437)	(14,230)	207	1.5
Equity attributable to owner of the Company	(68,931)	(64,975)	3,956	6.1
Non-controlling interest	(313)	(279)	34	12.2
Total equity	(69,244)	(65,254)	3,990	6.1

Figures in bracket denotes credit balances

The increase of RM0.21 million or 0.5% in non-current assets were mainly due to purchase of property, plant and equipment of RM2.16 million, depreciation charge of RM2.22 million and net increase in exchange differences of RM0.34 million from the conversion of a foreign subsidiary.

The decrease of RM5.66 million or 4.3% in current assets were mainly due to the followings:

- (i) Increase in trade receivables of RM13.29 million from the higher sales in the current period;
- (ii) Increase in other receivables of RM1.63 million due to prepayment made for the purchase of raw materials;
- (iii) Decrease in inventories and finished goods of RM8.29 million of the Moulded Power Supply Cord Sets Division; and
- (iv) Decrease in cash and bank balances of RM12.14 million.

The decrease of RM9.64 million or 10.0% in current liabilities were mainly due to the followings:

- (i) Decrease in trade and other payables of RM9.75 million of the Moulded Power Supply Cord Sets Division; and
- (ii) Decrease in short term borrowings of RM0.74 million; and
- (ii) Tax payable of RM0.83 million for a foreign subsidiary.

The increase in non-current liabilities of RM0.21 million or 1.5% were mainly due to the increase in retirement benefits obligation for a foreign subsidiary.

The increase in “equity attributable to owner of the Company” of RM3.96 million or 6.1% were due to the followings:

- (i) RM5.53 million from the issuance of 20,871,000 new ordinary shares of the Company pursuant to Private Placement; and
- (ii) The total comprehensive loss for the period attributable to the owners of the Company of RM1.57 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 RM279,000 to RM313,000 were mainly due to NCI’s share of profit in subsidiaries not wholly owned by the Company.

The increase in “total equity” of RM3.99 million or 6.1% were due to similar reasons stated in the increased in equity attributable to owner of the Company and the increase in NCI above.

C. Segmental Analysis

I. Moulded Power Supply Cord Sets Division

Summary of revenue by regions	Cumulative Quarters 6 Months 01/05/2021 to 31/10/2021 USD’000
Sales to external parties	
Malaysia	1,786
North America	51,358
The rest of Asia	4,434
	<u>57,578</u>

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

The sales to Malaysia was USD1.79 million or 3.1%, North America was USD51.36 million or 89.2% and to the rest of Asia was USD4.43 million or 7.7% for the financial period ended 31 October 2021.

Summary of results	Cumulative Quarter 6 Months 01/05/2021 to 31/10/2021 USD’000
Revenue	57,578
Operating profit	1,084
Profit before interest and taxation	1,084
Profit before taxation	901
Profit after taxation	651
Profit attributable to owner of the Company	<u>651</u>

The profit before taxation of USD0.90 million for the financial period ended 31 October 2021 were mainly due to higher revenue generated for the period under review.

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

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

C. Segmental Analysis

II. Healthcare Division

The Healthcare Division generated a revenue of RM0.90 million for the current financial period ended 31 October 2021.

The Healthcare Division incurred a loss before taxation of RM0.48 million. The losses incurred were mainly due to low revenue and high operating expenses incurred to promote and introduce the Healthcare Division’s products.

III. Travel Services Division

The Travel Services Division recorded a revenue of RM0.04 million for the financial period ended 31 October 2021. The low revenue is due to the various Movement Control Order (“MCO”) imposed by the Malaysian Government to contain the wide spread of COVID-19 pandemic whereby most of the travelers and tourists are reluctant to travel or being barred from travelling.

The Travel Services Division recorded a loss before taxation of RM0.24 million. The loss before taxation in the current financial period were mainly due to low revenue generated for the period under review.

IV. Investment Division

Investment Division consists of the Company, investment holding subsidiaries and inactive subsidiaries. The Investment Division recorded a loss before taxation of RM3.74 million.

At Company level, the Company recorded a loss before taxation of RM3.90 million for the financial period ended 31 October 2021.

In the opinion of the Directors, other than those disclosed above, the results for the current financial period ended 31 October 2021 have not been affected by any transactions or events of a material or unusual nature which have arisen from 31 October 2021 to the date of issue of this quarterly report.

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

2. Comparison of Current Quarter Against Preceding Quarter’s Results

(Individual 2nd Quarter 2022 from 01 August 2021 to 31 October 2021 vs Individual 1st Quarter 2022 from 01 May 2021 to 31 July 2021)

The Group recorded a higher revenue of RM121.16 million (1Q 2022: RM119.89 million) an increase of RM1.27 million or 1.1%. The higher revenue derived from the Moulded Power Supply Cord Sets Division of USD28.82 million (1Q 2022: USD28.76 million) and the Healthcare Division of RM0.51 million (1Q 2022: RM0.39 million) in the current quarter under review.

The Group incurred a higher loss before taxation of RM0.66 million (1Q 2022: RM0.18 million) in the current quarter. The higher loss before taxation recorded in the current quarter were due to the followings:

- (i) Higher loss before taxation of RM2.19 million (1Q 2022: RM1.55 million) from the Investment Division;
- (ii) Higher loss before taxation of RM0.16 million (1Q 2022: RM0.08 million) from the Travel Services Division.
- (iii) Lower loss before taxation of RM0.22 million (1Q 2022: RM0.26 million) incurred by the Healthcare Division; and
- (iv) Higher profit before taxation of RM2.03 million (1Q 2022: RM1.72 million) from the Moulded Power Supply Cord Sets Division;

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

3. 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 high working capital requirement, intense competition in the US market, rising inflationary cost in Indonesia, especially the compulsory annual increment of wages and salaries, rising cost of copper, PVC resin and other components and also the drastic spike in shipping and freight charges.

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 pandemic has caused global concern in increasing economic hardship for consumers and businesses, created uncertainties in the market and dampened the global economic outlook.

The Malaysian Government has imposed various MCO to contain the wide spread of COVID-19 pandemic and these measures had also put the Group’s 49% associate Dufry HWG Shopping Sdn Bhd (“Dufry HWG Shopping”), 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. The travel retail outlet was closed to public commencing from 01 June 2021 to 05 October 2021 due to the implementation of MCO and the introduction of National Recovery Plan (“NRP”). The travel retail outlet resumed its retail business on 06 October 2021.

The Group is expecting a challenging operating and financial performance for the financial year ending 30 April 2022.

The introduction of the NRP in four (4) stages by the Malaysian Government recently to re-open up the country’s economy may provide the Group’s Healthcare Division a positive growth as workforce is required to undergo COVID-19 screening and testing to prevent the spread of the pandemic before operations can be resumed. The increased numbers of testing being carried out on the workers and frequent sanitisation at workplace as a prevention measure from the spread of COVID-19 may generate additional revenue and create positive impact on the operation of the Group’s Healthcare Division.

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

4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee for the financial year ending 30 April 2022.

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

5. (Loss)/Profit from operations

(Loss)/Profit from operations is derived at:

	Individual Quarter 3 Months 01/08/2021 to 31/10/2021 RM’000	Cumulative Quarter 6 Months 01/05/2021 to 31/10/2021 RM’000
After charging:		
Retirement benefit obligations	138	275
Depreciation - Property, plant and equipment	1,111	2,223
Depreciation – Right of use assets	37	71
Expenses related to short term leases	43	73
Loss on foreign exchange - Realised	518	518
Loss on foreign exchange - Unrealised	8	42
And crediting:		
Rental income from premises	92	182
Gain on disposal of plant and equipment	-	1
Gain on foreign exchange - Realised	(27)	11
Gain on foreign exchange - Unrealised	(246)	268

6. Finance income

	Individual Quarter 3 Months 01/08/2021 to 31/10/2021 RM’000	Cumulative Quarter 6 Months 01/05/2021 to 31/10/2021 RM’000
Interest income from bank accounts	3	5
	3	5

7. Finance costs

	Individual Quarter 3 Months 01/08/2021 To 31/10/2021 RM’000	Cumulative Quarter 6 Months 01/05/2021 to 31/10/2021 RM’000
Interest expense		
– hire purchase liabilities	8	15
– lease liabilities	1	1
– term loans	65	131
– trade finance	426	770
	500	917

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

8. Income tax expense

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

	Individual Quarter 3 Months 01/08/2021 to 31/10/2021 RM'000	Cumulative Quarter 6 Months 01/05/2021 to 31/10/2021 RM'000
a. Expected income tax payable		
i. Current income tax expense		
- Malaysia	(37)	(37)
- Overseas	(543)	(1,042)
	(580)	(1,079)
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	(580)	(1,079)

9. 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 31 October 2021.

10. Investment in an associate

The investment in associate as at 31 October 2021 is as follows:

	Unaudited 31/10/2021 RM'000	Audited 30/04/2021 RM'000
Unquoted shares at cost		
At beginning of period	980	980
Subscription of additional new ordinary shares	147	-
At end of period	1,127	980

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

10. Investment in an associate (continued)

	Unaudited 31/10/2021 RM'000	Audited 30/04/2021 RM'000
Share of post-acquisition loss		
At beginning of period	(980)	(980)
Share of post -acquisition loss	(147)	-
At end of period	<u>(1,127)</u>	<u>(980)</u>
 Net carrying amount	 <u>-</u>	 <u>-</u>

During the current quarter under review, the Company subscribed an additional 147,000 new ordinary shares for RM147,000 in the associate by way of capitalisation of the shareholder's loan advanced to the associate in prior years. The subscription of additional 147,000 new ordinary shares is in proportion to 49% requirement of the shareholders agreement dated 25 September 2017. The major shareholder of the associate, Dufry International AG subscribed the remaining 51%, representing 153,000 new ordinary shares for RM153,000 also by way of capitalisation of the shareholder's loan advanced to the associate.

The Group's share of post-acquisition loss will be capped at RM1.13 million (2021: RM0.98 million), being the equivalent cost of investment in the associate.

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

(b) Summarised statement of financial position

	Unaudited 31/10/2021 RM'000	Audited 31/12/2020 RM'000
Assets		
Non-current assets	19,371	17,378
Current assets	8,193	6,589
Total assets	<u>27,564</u>	<u>23,967</u>
 Liabilities		
Non-current liabilities	18,267	11,702
Current liabilities	23,630	23,001
Total liabilities	<u>41,897</u>	<u>34,703</u>
 Net liabilities	 <u>(14,333)</u>	 <u>(10,736)</u>
 Financed by,		
Share capital	2,300	2,000
Accumulated losses	(16,633)	(12,736)
Capital deficiency	<u>(14,333)</u>	<u>(10,736)</u>

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

10. Investment in an associate (continued)

(b) Summarised statement of comprehensive income

	Unaudited 10 Months 01/01/2021 to 31/10/2021 RM'000	Audited 12 Months 01/01/2020 to 31/12/2020 RM'000
Revenue	766	5,998
Loss before tax	(3,896)	(5,867)
Net loss/Total comprehensive loss	<u>(3,897)</u>	<u>(5,867)</u>

There is no change of financial year end for the associate and remained as 31 December.

11. Group Borrowings and Debt Securities

	As at 31 October 2021					
	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	-	3,383	-	214	-	3,597
Term Loan 2	-	1,173	-	156	-	1,329
Trade financing*	-	-	6,479	26,839	6,479	26,839
	-	4,556	6,479	27,209	6,479	31,765
Lease liabilities						
Hire purchase liabilities	-	573	-	183	-	756
Other lease liabilities	-	14	-	9	-	23
	-	587	-	192	-	779
	-	5,143	6,479	27,401	6,479	32,544

* USD1.0000 is equivalent to RM4.1425

	As at 30 April 2021					
	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	-	3,448	-	232	-	3,680
Term Loan 2	-	1,252	-	150	-	1,402
Trade financing*	-	-	6,727	27,566	6,727	27,566
	-	4,700	6,727	27,948	6,727	32,648
Lease liabilities						
Hire purchase liabilities	-	522	-	160	-	682
Other lease liabilities	-	18	-	10	-	28
	-	540	-	170	-	710
	-	5,240	6,727	28,118	6,727	33,358

* USD1.0000 is equivalent to RM4.0975

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

12. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 16 December 2021, being the latest practicable date.

13. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the period ended 30 April 2021.

14. Material Litigation

There is no material litigation for the Group as at 16 December 2021, being the latest practicable date.

15. Status of utilisation of proceeds raised from the Private Placement of ordinary shares

- (a) The proposed and actual utilisation of RM5,530,815 proceeds raised from the second tranche Private Placement of 20,871,000 new ordinary shares at an issue price of RM0.2650 each, which was completed on **30 July 2021** are as follows:

Proposed utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation as at 16/12/2021 RM'000	Balance RM'000	Estimated timeframe for utilisation from listing of Placement Shares
Working capital purposes	5,531	2,750	2,781	Within 12 months

- (b) The entire proceeds of RM4,440,610 received from the third tranche Private Placement for working capital purposes have not been utilised yet as at **22 December 2021**.

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

16. Loss Per Share

Basic

	Individual Quarter 3 Months 01/08/2021 to 31/10/2021	Cumulative Quarter 6 Months 01/05/2021 to 31/10/2021
Loss attributable to shareholders of the Company (RM'000)	(1,266)	(1,955)
Weighted average number of ordinary shares (^000) – basic	609,468	609,468
Basic (sen)	<u>(0.21)</u>	<u>(0.32)</u>

Diluted

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: 23 December 2021