



## HO WAH GENTING BERHAD

(Company No: 199301018185 / 272923-H)

(Incorporated In Malaysia)

### NOTES TO FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2022

#### 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 except for the adoption of the following standards which are applicable to its financial statements effective from 1 January 2022:

		<b>Effective date</b>
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

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:

		<b>Effective date</b>
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

**PART A** (continued)

**2 Significant Accounting Policies** (continued)

		<b>Effective date</b>
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
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 January 2022 are as follows:

**PART A** (continued)

**10. Segmental Reporting** (continued)

Current year's 9 months period ended 31 January 2022	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
<b>Segmental revenue by strategic/functional division units</b>							
External revenue	104	354,332	993	79	355,508	-	355,508
Inter-segment revenue	-	-	1	-	1	(1)	-
	104	354,332	994	79	355,509	(1)	355,508
<b>Segmental revenue by regions</b>							
Malaysia	104	10,128	994	79	11,305	(1)	11,304
The rest of Asia	-	31,185	-	-	31,185	-	31,185
North America	-	313,019	-	-	313,019	-	313,019
	104	354,332	994	79	355,509	(1)	355,508
<b>Results</b>							
<b>(Loss)/Profit from operations</b>	(5,597)	9,147	(776)	(377)	2,397	147	2,544
Finance income	48	7	-	-	55	-	55
Finance costs	(219)	(1,144)	-	(1)	(1,364)	-	(1,364)
Share of losses of an associate	-	-	-	-	-	(147)	(147)
<b>(Loss)/Profit before income tax expense</b>	(5,768)	8,010	(776)	(378)	1,088	-	1,088
Income tax expense	-	(1,963)	(32)	-	(1,995)	-	(1,995)
<b>Net (loss)/profit for the period</b>	(5,768)	6,047	(808)	(378)	(907)	-	(907)
Non-controlling interests	2	-	(30)	2	(26)	-	(26)
<b>Net (loss)/profit attributable to owners of the Company</b>	(5,766)	6,047	(838)	(376)	(933)	-	(933)
<b>Assets and liabilities as at 31 January 2022</b>							
Segment assets - Consolidated total assets	146,632	130,616	10,609	846	288,703	(120,573)	168,130
Segment liabilities - Consolidated total liabilities	15,743	97,460	13,077	322	126,602	(33,547)	93,055
<b>Segmental non-current assets by regions as at 31 January 2022</b>							
Malaysia	110,041	-	283	55	110,379	(94,243)	16,136
The rest of Asia	-	21,204	-	-	21,204	8,443	29,647
	110,041	21,204	283	55	131,583	(85,800)	45,783

**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**

- (a) During the 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.
- (b) On 17 March 2021, the Company had announced that it has incorporated an indirect subsidiary, HWG Fintech Property Sdn. Bhd. with an issued and paid-up capital of RM100 with 100 ordinary shares in issued. The registered subscriber shareholders are HWG Fintech Capital Sdn. Bhd. (formerly known as HWG Capital Sdn Bhd) (55% shareholding) and HWGB Blockchain & Digitaltech Sdn. Bhd. (45% shareholding).

**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**

	<b>Individual Quarter (3rd Quarter) Current Year Quarter 3 Months 01/11/2021 To 31/01/2022 RM'000</b>	<b>Cumulative Quarters (Year to-date) Current Year todate 9 Months 01/05/2021 to 31/01/2022 RM'000</b>
Revenue	114,456	355,508
Profit from operations	2,329	2,544
Profit before interest and taxation	2,329	2,544
Profit before taxation	1,932	1,088
Profit/(Loss) after taxation	1,016	(907)
Profit/(Loss) attributable to owners of the Company	1,022	(933)

**A. Overall Review of Group's Financial Performance**

The Group recorded a revenue of RM355.51 million for the financial period ended 31 January 2022. The Group's revenue is mainly derived from the Moulded Power Supply Cord Sets Division in Indonesia which represented approximately 99.7% of the total revenue of the Group. The average exchange rate used for the financial period ended 31 January 2022 was RM4.1770/USD.

The profit before taxation of RM1.09 million in the current financial period were due to the followings:

- (i) Profit before taxation of RM8.01 million from the Moulded Power Supply Cord Sets Division;
- (ii) Loss before taxation of RM5.77 million from the Investment Division;
- (iii) Loss before taxation of RM0.78 million from the Healthcare Division; and
- (iv) Loss before taxation of RM0.38 million from the Travelling Services Division.

***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**

	<b>Unaudited</b>	<b>Audited</b>	<b>Changes</b>	
	<b>31/01/2022</b>	<b>30/04/2021</b>	<b>RM’000</b>	<b>%</b>
	<b>RM’000</b>	<b>RM’000</b>		
Non-current assets	45,783	45,905	(122)	-0.3
Current assets	122,347	130,160	(7,813)	-6.0
Current liabilities	78,565	96,581	(18,016)	-18.7
Non-current liabilities	14,490	14,230	260	1.8
Equity attributable to owner of the Company	74,768	64,975	9,793	15.1
Non-controlling interest	307	279	28	10.0
Total equity	75,075	65,254	9,821	15.1

*Figures in bracket denotes credit balances*

The decrease of RM0.12 million or 0.3% in non-current assets were mainly due to purchase of property, plant and equipment of RM2.74 million, depreciation charge of RM3.57 million and net increase in exchange differences of RM0.67 million from the conversion of a foreign subsidiary.

The decrease of RM7.81 million or 6.0% in current assets were mainly due to the followings:

- (i) Decrease in trade and other receivables of RM1.20 million of the Moulded Power Supply Cord Sets Division;
- (ii) Decrease in inventories and finished goods of RM3.08 million of the Moulded Power Supply Cord Sets Division; and
- (iii) Decrease in cash and bank balances of RM3.40 million.

The decrease of RM18.02 million or 18.7% in current liabilities were mainly due to the followings:

- (i) Decrease in trade payables of RM16.8 million from the Moulded Power Supply Cord Sets Division and other payables from the Investment Division;
- (ii) Increase in short term borrowings of RM0.59 million; and
- (iii) Tax payable of RM1.72 million for a foreign subsidiary.

The increase in non-current liabilities of RM0.26 million or 1.8% were mainly due to the increase in retirement benefits obligation of RM0.46 million for a foreign subsidiary and decrease in long term borrowings of RM0.23 million.

The increase in “equity attributable to owner of the Company” of RM9.79 million or 15.1% were due to the followings:

- (i) RM9.93 million from the issuance of 40,178,000 new ordinary shares of the Company pursuant to Private Placements; and
- (ii) The total comprehensive loss for the period attributable to the owners of the Company of RM0.14 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 RM307,000 were mainly due to NCI’s share of profit in subsidiaries not wholly owned by the Company.

The increase in “total equity” of RM9.82 million or 15.1% 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**

<b>Summary of revenue by regions</b>	<b>Cumulative Quarters 9 Months 01/05/2021 to 31/01/2022 USD’000</b>
<b>Sales to external parties</b>	
Malaysia	2,424
North America	74,939
The rest of Asia	7,466
	<u><b>84,829</b></u>

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

The sales to Malaysia was USD2.42 million or 2.9%, North America was USD74.94 million or 88.3% and to the rest of Asia was USD7.47 million or 8.8% for the financial period ended 31 January 2022.

<b>Summary of results</b>	<b>Cumulative Quarter 9 Months 01/05/2021 to 31/01/2022 USD’000</b>
Revenue	84,829
Operating profit	2,190
Profit before interest and taxation	2,190
Profit before taxation	1,917
Profit after taxation	1,448
Profit attributable to owner of the Company	<u><b>1,448</b></u>

The profit before taxation of USD1.92 million for the financial period ended 31 January 2022 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 RM0.99 million for the current financial period ended 31 January 2022.

The Healthcare Division incurred a loss before taxation of RM0.78 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 RM0.08 million for the financial period ended 31 January 2022. The low revenue is due to the various Movement Control Order (“MCO”) and multiple stages of the National Recovery Plan (“NRP”) 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 RM0.38 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**

The Investment Division consists of the Company, investment holding subsidiaries and inactive subsidiaries. The Investment Division recorded a loss before taxation of RM5.77 million.

At Company level, the Company recorded a loss before taxation of RM5.81 million for the financial period ended 31 January 2022.

In the opinion of the Directors, other than those disclosed above, the results for the current financial period ended 31 January 2022 have not been affected by any transactions or events of a material or unusual nature which have arisen from 31 January 2022 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 3<sup>rd</sup> Quarter 2022 from 01 November 2021 to 31 January 2022 vs Individual 2<sup>nd</sup> Quarter 2022 from 01 August 2021 to 31 October 2021)*

The Group recorded a lower revenue of RM114.46 million (2Q 2022: RM121.16 million) a decrease of RM6.70 million or 5.5%. The lower revenue were derived from the Moulded Power Supply Cord Sets Division of USD27.25 million (2Q 2022: USD28.82 million) and the Healthcare Division of RM0.09 million (2Q 2022: RM0.51 million).

The Group recorded a profit before taxation of RM1.93 million (2Q 2022: loss before taxation of RM0.66 million) in the current quarter. The turnaround from loss before taxation to profit before taxation in the current quarter were due to the followings:

- (i) Higher profit before taxation of RM4.26 million (2Q 2022: RM2.03 million) from the Moulded Power Supply Cord Sets Division;
- (ii) Lower loss before taxation of RM2.03 million (2Q 2022: RM2.19 million) from the Investment Division;
- (iii) Lower loss before taxation of RM0.14 million (2Q 2022: RM0.16 million) from the Travel Services Division.
- (iv) Higher loss before taxation of RM0.30 million (2Q 2022: RM0.22 million) incurred by the Healthcare Division; and
- (v) No share of post-acquisition loss from an associate in the current quarter under review (2Q 2022: RM0.15 million) as stated in Note 10 below.

***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 resurgence of COVID-19 pandemic brought by Omicron variants and the on-going Russia-Ukraine war could be disruptive to the economic recovery, causing global supply chain disruptions and create uncertainties in the market and dampen the global economic outlook.

The Malaysian Government has recently announced “endemic” and to re-open of all international borders in Malaysia with effective from **01 April 2022**. The re-opening of international borders will boost up the tourism industry and this will increase the revenue of the Group’s Travel Services Division and 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.

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

With the continuous mutation of the COVID-19 viruses and variants and the high number of daily infection cases, the public will be more health conscious by sanitisation of workplaces and residences as a preventive measure from the spread of COVID-19. The higher spending by consumers may improve the revenue of the 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. Profit/(Loss) from operations**

Profit/(Loss) from operations is derived at:

	<b>Individual Quarter</b> <b>3 Months</b> <b>01/11/2021</b> <b>to</b> <b>31/01/2022</b> <b>RM’000</b>	<b>Cumulative Quarter</b> <b>9 Months</b> <b>01/05/2021</b> <b>to</b> <b>31/01/2022</b> <b>RM’000</b>
<b>After charging:</b>		
Retirement benefit obligations	139	414
Depreciation - Property, plant and equipment	1,233	3,456
Depreciation – Right of use assets	41	112
Expenses related to short term leases	45	118
Loss on foreign exchange - Realised	(81)	437
Loss on foreign exchange - Unrealised	42	84
<b>And crediting:</b>		
Rental income from premises	92	274
Gain on disposal of plant and equipment	-	-
Gain on foreign exchange - Realised	1	12
Gain on foreign exchange - Unrealised	136	404
	<u>136</u>	<u>404</u>

**6. Finance income**

	<b>Individual Quarter</b> <b>3 Months</b> <b>01/11/2021</b> <b>to</b> <b>31/01/2022</b> <b>RM’000</b>	<b>Cumulative Quarter</b> <b>9 Months</b> <b>01/05/2021</b> <b>to</b> <b>31/01/2022</b> <b>RM’000</b>
Interest income from bank accounts	50	55
	<u>50</u>	<u>55</u>

**7. Finance costs**

	<b>Individual Quarter</b> <b>3 Months</b> <b>01/11/2021</b> <b>To</b> <b>31/01/2022</b> <b>RM’000</b>	<b>Cumulative Quarter</b> <b>9 Months</b> <b>01/05/2021</b> <b>to</b> <b>31/01/2022</b> <b>RM’000</b>
Interest expense		
– hire purchase liabilities	8	23
– lease liabilities	2	3
– term loans	64	195
– trade finance	373	1,143
	<u>447</u>	<u>1,364</u>

***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:

	<b>Individual Quarter 3 Months 01/11/2021 to 31/01/2022 RM'000</b>	<b>Cumulative Quarter 9 Months 01/05/2021 to 31/01/2022 RM'000</b>
<b>a. Expected income tax payable</b>		
<b>i. Current income tax expense</b>		
- Malaysia	5	(32)
- Overseas	(921)	(1,963)
	<u>(916)</u>	<u>(1,995)</u>
<b>ii. Over/(Under) provision in prior year</b>		
- Malaysia	-	-
- Overseas	-	-
	<u>-</u>	<u>-</u>
<b>b. Deferred tax</b>		
<b>Current year</b>		
- Malaysia	-	-
- Overseas	-	-
	<u>-</u>	<u>-</u>
<b>Over/(Under) provision in prior year</b>		
- Malaysia	-	-
- Overseas	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>(916)</u></b>	<b><u>(1,995)</u></b>

**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 January 2022.

**10. Investment in an associate**

The investment in associate as at 31 January 2022 is as follows:

	<b>Unaudited 31/01/2022 RM'000</b>	<b>Audited 30/04/2021 RM'000</b>
<b>Unquoted shares at cost</b>		
At beginning of period	980	980
Subscription of additional new ordinary shares	147	-
At end of period	<u>1,127</u>	<u>980</u>

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

**10. Investment in an associate (continued)**

	<b>Unaudited 31/01/2022 RM'000</b>	<b>Audited 30/04/2021 RM'000</b>
<b>Share of post-acquisition loss</b>		
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 financial period, 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**

	<b>Unaudited 31/01/2022 RM'000</b>	<b>Unaudited 31/12/2021 RM'000</b>	<b>Audited 31/12/2020 RM'000</b>
<b>Assets</b>			
Non-current assets	18,335	18,663	17,378
Current assets	6,627	6,619	6,589
Total assets	<u>24,962</u>	<u>25,282</u>	<u>23,967</u>
<b>Liabilities</b>			
Non-current liabilities	17,747	15,844	11,702
Current liabilities	22,636	24,497	23,001
Total liabilities	<u>40,383</u>	<u>40,341</u>	<u>34,703</u>
<b>Net liabilities</b>	<b><u>(15,421)</u></b>	<b><u>(15,059)</u></b>	<b><u>(10,736)</u></b>
<b>Financed by,</b>			
Share capital	2,300	2,300	2,000
Accumulated losses	(17,721)	(17,359)	(12,736)
<b>Capital deficiency</b>	<b><u>(15,421)</u></b>	<b><u>(15,059)</u></b>	<b><u>(10,736)</u></b>

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

**10. Investment in an associate (continued)**

**(b) Summarised statement of comprehensive income**

	<b>Unaudited 1 Month 01/01/2022 to 31/01/2022 RM'000</b>	<b>Unaudited 12 Months 01/01/2021 to 31/12/2021 RM'000</b>	<b>Audited 12 Months 01/01/2020 to 31/12/2020 RM'000</b>
Revenue	278	1,572	5,998
Loss before tax	(362)	(4,622)	(5,867)
Net loss/Total comprehensive loss	<u>(362)</u>	<u>(4,623)</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**

	<b>As at 31 January 2022</b>					
	<b>Long term Denomination</b>		<b>Short term Denomination</b>		<b>Total borrowing Denomination</b>	
	<b>USD'000</b>	<b>RM'000</b>	<b>USD'000</b>	<b>RM'000</b>	<b>USD'000</b>	<b>RM'000</b>
<b>Secured borrowings</b>						
Term Loan 1	-	3,337	-	192	-	3,529
Term Loan 2	-	1,130	-	161	-	1,291
Trade financing*	-	-	6,734	28,184	6,734	28,184
	-	4,467	6,734	28,537	6,734	33,004
<b>Lease liabilities</b>						
Hire purchase liabilities	-	527	-	185	-	712
Other lease liabilities	-	49	-	19	-	68
	-	576	-	204	-	780
	<b>-</b>	<b>5,043</b>	<b>6,734</b>	<b>28,741</b>	<b>6,734</b>	<b>33,784</b>

\* USD1.0000 is equivalent to RM4.1855

	<b>As at 30 April 2021</b>					
	<b>Long term Denomination</b>		<b>Short term Denomination</b>		<b>Total borrowing Denomination</b>	
	<b>USD'000</b>	<b>RM'000</b>	<b>USD'000</b>	<b>RM'000</b>	<b>USD'000</b>	<b>RM'000</b>
<b>Secured borrowings</b>						
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
<b>Lease liabilities</b>						
Hire purchase liabilities	-	522	-	160	-	682
Other lease liabilities	-	18	-	10	-	28
	-	540	-	170	-	710
	<b>-</b>	<b>5,240</b>	<b>6,727</b>	<b>28,118</b>	<b>6,727</b>	<b>33,358</b>

\* 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 18 March 2022, 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 18 March 2022, 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:

<b>Proposed utilisation of proceeds</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation as at 18/03/2022 RM'000</b>	<b>Balance RM'000</b>	<b>Estimated timeframe for utilisation from listing of Placement Shares</b>
Working capital purposes	5,531	4,534	997	Within 12 months

- (b) The entire proceeds of RM4,440,610 received from the third tranche Private Placement for working capital purpose which was completed on **22 December 2021** have not been utilised yet as at **18 March 2022**.



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

**16. Earnings/(Loss) Per Share**

	<b>Individual Quarter 3 Months 01/11/2021 to 31/01/2022</b>	<b>Cumulative Quarter 9 Months 01/05/2021 to 31/01/2022</b>
<b>Basic</b>		
Profit/(Loss) attributable to shareholders of the Company (RM'000)	1,022	(933)
Weighted average number of ordinary shares ('000) – basic	615,916	615,916
<b>Basic (sen)</b>	<b>0.17</b>	<b>(0.15)</b>
<b>Diluted</b>		
Profit/(Loss) attributable to shareholders (RM'000)	1,022	(933)
<u>Add</u>		
Notional interest savings due to repayment of bank borrowings (RM'000)	2	2
Adjusted profit/(loss) attributable to shareholders (RM'000)	<u>1,024</u>	<u>(931)</u>
Weighted average number of ordinary shares ('000) – basic	615,916	615,916
<u>Add</u>		
Assuming full conversion of ESOS ('000)	202	202
Weighted average number of ordinary shares ('000) – diluted	<u>616,118</u>	<u>616,118</u>
<b>Diluted (sen)</b>	<b>0.17</b>	<b>N/A</b>

The diluted earnings per share is calculated based on the adjusted net profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the period, adjusted to assume full conversion of all ESOS into new ordinary shares. However, it is assumed that only Tranche 2 of the Company's ESOS is fully exercised as Tranche 1, 3, 4 and 5 are "out-of-the-money". The adjusted profit attributable to equity holders of the Company is arrived at by adding notional interest savings as a result of repayment of bank borrowings from proceeds made available through exercise of ESOS into new ordinary shares.

The diluted loss per share for the financial period ended 31 January 2022 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: 25 March 2022