



## HO WAH GENTING BERHAD

(Company No: 199301018185 / 272923-H)

(Incorporated In Malaysia)

### NOTES TO FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 year ended 30 April 2022.

#### 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 30 April 2022.

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>
Amendments to MFRS 101	: Presentation of Financial Statements – <i>Classifications of Liabilities as Current or Non-current</i>	01 January 2023
MFRS 17	: Insurance Contracts	01 January 2023
Amendments to MFRS 17	: Initial application for MFRS 17 and MFRS 9 - Comparative Information	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	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
Amendments to MFRS 16	: Lease Liability in a Sale and Leaseback	01 January 2024
Amendments to MFRS 101	: Presentation of Financial Statements – <i>Non-current liabilities with Covenants</i>	01 January 2024
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.

*PART A (continued)*

**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 30 April 2022.

**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.

**7. Issuance and Repayment of Debt and Equity Securities**

**Private Placement of Shares**

On 08 July 2022, the Company through its advisor Kenanga Investment Bank Berhad (“KIBB”), had announced that the Company proposes to undertake a Proposed Private Placement of up to 10% (excluding treasury shares, if any) of the issued share capital of the Company, involved in the issuance of up to 27,104,764 new ordinary shares (“Placement Shares”) in HWGB (“Proposed Private Placement”).

On 12 July 2022, the Company through its advisor KIBB, had announced that the additional listing application for the Proposed Private Placement has been submitted to BMSB on the same date.

On 18 July 2022, the Company through its advisor KIBB, had announced that BMSB had, vide its letter dated 18 July 2022, resolved to approve the listing of and quotation for up to 27,104,764 Placement Shares to be issued pursuant to the Proposed Private Placement.

*PART A (continued)*

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

**Private Placement of Shares (continued)**

On 20 July 2022, the Company through its advisor KIBB, announced that HWGB had on the same date resolved to fix the issue price for the Proposed Private Placement at RM0.124 per Placement Share.

The issue price of RM0.124 per Placement Share represents a discount of approximately RM0.013 or 9.49% to the 5-day Volume Weighted Average Market Price (“VWAMP”) of HWGB Shares up to and including 19 July 2022, being the latest traded day of HWGB Shares immediately preceding the price-fixing date, of RM0.137 per HWGB Share.

The Proposed Private Placement of 23,708,000 Placement Shares were completed on 28 July 2022 with listing and quotation of the Placement Shares on the same date. The total proceeds of RM2,939,792 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 under review.

**10. Segmental Reporting**

Analysis of the Group’s segmental revenue, results, assets and liabilities for business segments for the financial period ended 31 December 2022 are as follows:

**PART A** (continued)

**10. Segmental Reporting** (continued)

<b>Current 8 months period ended 31 December 2022</b>	<b>Investments RM'000</b>	<b>Moulded Power Supply Cords Sets RM'000</b>	<b>Healthcare RM'000</b>	<b>Travel Services RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Segmental revenue by strategic/functional division units</b>							
External revenue	95	278,657	94	965	279,811	-	279,811
Inter-segment revenue	-	-	-	62	62	(62)	-
	<u>95</u>	<u>278,657</u>	<u>94</u>	<u>1,027</u>	<u>279,873</u>	<u>(62)</u>	<u>279,811</u>
<b>Segmental revenue by regions</b>							
Malaysia	95	1,547	94	1,027	2,763	(62)	2,701
The rest of Asia	-	21,452	-	-	21,452	-	21,452
North America	-	255,658	-	-	255,658	-	255,658
	<u>95</u>	<u>278,657</u>	<u>94</u>	<u>1,027</u>	<u>279,873</u>	<u>(62)</u>	<u>279,811</u>
<b>Results</b>							
<b>Profit/(Loss) from operations</b>	(10,669)	13,680	(5,433)	(204)	(2,626)	5,083	2,457
Finance income	31	10	-	-	41	-	41
Finance costs	(187)	(635)	(1)	(1)	(824)	-	(824)
<b>Profit/(Loss) before income tax expense</b>	(10,825)	13,055	(5,434)	(205)	(3,409)	5,083	1,674
Income tax expense	94	(3,028)	6	-	(2,928)	-	(2,928)
<b>Net profit/(loss) for the period</b>	(10,731)	10,027	(5,428)	(205)	(6,337)	5,083	(1,254)
Non-controlling interests	2	-	-	1	3	-	3
<b>Net profit/(loss) attributable to owners of the Company</b>	(10,729)	10,027	(5,428)	(204)	(6,334)	5,083	(1,251)
<b>Assets and liabilities as at 31 December 2022</b>							
Segment assets - Consolidated total assets	108,896	110,332	4,557	643	224,418	(92,708)	131,710
Segment liabilities - Consolidated total liabilities	14,435	63,700	13,311	450	91,796	(34,442)	57,354
<b>Segmental non-current assets by regions as at 31 December 2022</b>							
Malaysia	84,535	-	23	314	84,872	(73,676)	11,196
The rest of Asia	-	21,006	-	-	21,006	8,229	29,235
	<u>84,535</u>	<u>21,006</u>	<u>23</u>	<u>314</u>	<u>105,878</u>	<u>(65,447)</u>	<u>40,431</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**

On 01 July 2022, the Company increased its percentage of shareholdings in HWGB Medical Devices & Supplies Sdn Bhd (“HWGB MD&S”) from 70% to 100% by acquiring 300,000 ordinary shares from its non-controlling interests for a cash consideration of RM300,000. HWGB MD&S has an issued and paid-up capital of RM1,000,000 represented by 1,000,000 ordinary shares. On 13 February 2023, HWGB MD&S changed its name from HWGB MD&S to HWG Duty Free Sdn Bhd.

**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 (Third Quarter) Current Year Quarter 01/11/2022 to 31/12/2022 RM'000</b>	<b>Cumulative Quarters (Year to-date)  Current Year todate 01/05/2022 to 31/12/2022 RM'000</b>
Revenue	26,078	279,811
Profit/(Loss) from operations	(4,824)	2,457
Profit/(Loss) before interest and taxation	(4,824)	2,457
Profit/(Loss) before taxation	(4,902)	1,674
Loss after taxation	(5,855)	(1,254)
Loss attributable to owners of the Company	(5,854)	(1,251)

***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 Group recorded a revenue of RM279.81 million for the financial period ended 31 December 2022. The Group’s revenue is mainly derived from the Moulded Power Supply Cord Sets in Indonesia which represented approximately 99.5% of the total revenue of the Group. The weakening of RM against the USD during the financial period has improved the Group’s revenue which is denominated in RM. The average exchange rate used for the financial period ended 31 December 2022 was RM4.4962/USD.

The Group posted a profit before taxation of RM1.67 million in the current financial period and were derived from the following:

- (a) Profit before taxation of RM13.06 million from Moulded Power Supply Cords Sets Division;
- (b) Loss before taxation of RM0.20 million from the Travel Services Division;
- (c) Loss before taxation of RM5.43 million from the Healthcare Division;
- (d) Loss before taxation of RM10.83 million from the Investment Division; and
- (e) Eliminations of RM5.08 million which consist mainly of allowance for expected credit losses (“ECL”) from advances by the Company to its subsidiaries during the financial period amounting to RM4.89 million.

**Summary of Statement of Financial Positions of the Group**

	<b>Unaudited</b>	<b>Audited</b>	<b>Changes</b>	
	<b>31/12/2022</b>	<b>30/04/2022</b>	<b>RM’000</b>	<b>%</b>
	<b>RM’000</b>	<b>RM’000</b>		
Non-current assets	40,431	42,166	(1,735)	-4.1
Current assets	91,279	136,784	(45,505)	-33.3
Current liabilities	(44,584)	(92,575)	(47,991)	-51.8
Non-current liabilities	(12,770)	(13,290)	(520)	-3.9
Equity attributable to owner of the Company	(74,327)	(72,826)	1,501	2.1
Non-controlling interest	(29)	(259)	(230)	-88.8
Total equity	(74,356)	(73,085)	1,271	1.7

*Figures in bracket denotes credit balances*

The decrease of RM1.74 million or 4.1% in non-current assets were mainly due to the following:

- (a) Purchase of property, plant and equipment of RM1.14 million;
- (b) Depreciation of property, plant and equipment and right of use assets of RM3.07 million and RM0.11 million respectively and amortisation of intangible assets of RM0.04 million;
- (c) Impairment loss on plant and equipment and intangible assets of RM0.05 million and RM0.14 million respectively; and

***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)**

- (d) Net increase in exchange differences of RM0.50 million from the conversion of a foreign subsidiary.

The decrease of RM45.51 million or 33.3% in current assets were mainly due to the following:

- (a) Increase in trade receivables of RM1.26 million from Moulded Power Supply Cord Sets Division and RM0.06 million from the Travel Services Division;
- (b) Decrease in other receivables and prepayment of RM1.58 million for the purchase of raw materials from the Moulded Power Supply Cord Sets;
- (c) Decrease in inventories and finished goods of RM48.62 million of the Moulded Power Supply Cord Sets Division;
- (d) Write down the value of slow-moving inventories in the Healthcare Division of RM4.71 million; and
- (e) Increase in cash and bank balances of RM8.16 million

The decrease of RM47.99 million or 51.8% in current liabilities were mainly due to the following:

- (a) Decrease in trade and other payables of RM33.68 million for the Moulded Power Supply Cord Sets Division;
- (b) Decrease in tax payable of RM0.42 million for a foreign subsidiary; and
- (c) Decrease in short term borrowings of RM13.85 million.

The decrease in non-current liabilities of RM0.52 million or 3.9% were mainly due to the following:

- (a) Increase in retirement benefits obligation of RM0.20 million for a foreign subsidiary;
- (b) Decrease in long term borrowings of RM0.33 million;
- (c) Decrease in deferred taxation liabilities of RM0.28 million; and
- (d) Decrease in long term lease liabilities of RM0.11 million.

The increase in “equity attributable to owner of the Company” of RM1.50 million or 2.1% were due to the following:

- (a) RM2.87 million from the issuance of 23,708,000 new ordinary shares of the Company pursuant to Private Placement; and
- (b) The total comprehensive loss for the period attributable to the owners of the Company of RM1.30 million.

The decrease in non-controlling interest (“NCI”) from RM259,000 to RM29,000 were due to the following:

- (a) Acquisition of NCI’s entire shareholding of 300,000 ordinary shares in HWG Duty Free Sdn Bhd (formerly known as HWGB MD&S) by the Company for cash consideration of RM300,000 and reversal of losses shared by NCI in prior years of RM73,000; and
- (b) NCI’s share of losses of RM3,000 in subsidiaries not wholly owned by the Company.



***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 “total equity” of RM1.27 million or 1.7% were due to similar reasons stated in the increased in equity attributable to owner of the Company and the decrease in NCI above.

**C. Summary of the Group’s Statement of Cash Flows**

	<b>Unaudited 01/05/2022 to 31/12/2022 RM’000</b>
Net cash from operating activities	21,573
Net cash used in investing activities	(1,451)
Net cash used in financing activities	(12,053)
Exchange difference	94
<b>Net increase in cash and cash equivalents</b>	<b>8,163</b>

The “net cash from operating activities” for the current financial period ended 31 December 2022 of RM21.57 million were mainly due to the following:

- (a) Net cash from “operating profit before working capital changes” of RM10.12 million;
- (b) Positive net change in inventories of RM49.55 million;
- (c) Positive net change in trade and other receivables of RM0.82 million;
- (d) Negative net change in trade and other payables of RM36.57 million;
- (e) Payment of income tax of RM1.12 million;
- (f) Payment of retirement benefits of RM0.46 million; and
- (g) Net interest paid of RM0.78 million.

The “net cash used in investing activities” of RM1.45 million were due to the following:

- (a) Purchase of plant and equipment of RM1.14 million; and
- (b) Acquisition of NCI’s entire shareholding in a subsidiary not wholly owned by the Company for RM0.30 million.

The “net cash used in financing activities” of RM12.05 million were due to the following:

- (a) Net proceeds from issuance of new ordinary shares pursuant to private placement of RM2.87 million for working capital purpose;
- (b) Net repayment of trade financing facilities of RM14.47 million; and
- (c) Repayment of term loans of RM0.31 million and lease liabilities 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)**

**D. Segmental Analysis**

**I. Moulded Power Supply Cord Sets Division**

	<b>Individual Quarter 2 Months 01/11/2022 to 31/12/2022 USD’000</b>	<b>Cumulative Quarters 8 Months 01/05/2022 to 31/12/2022 USD’000</b>
<b>Summary of revenue by regions</b>		
<b>Sales to external parties</b>		
North America	5,049	56,861
Malaysia	-	344
The rest of Asia	567	4,771
	<u><b>5,616</b></u>	<u><b>61,976</b></u>

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

The sales to North America was USD56.86 million, to Malaysia was USD0.34 million and to the rest of Asia was USD4.77 million. The average copper price purchased for the financial period was USD9,693 per metric tonne (“MT”).

	<b>Individual Quarter 2 Months 01/11/2022 To 31/12/2022 USD’000</b>	<b>Cumulative Quarters 8 Months 01/05/2022 to 31/12/2022 USD’000</b>
<b>Summary of results</b>		
Revenue	5,616	61,976
Operating profit	633	3,043
Profit before interest and taxation	633	3,043
Profit before taxation	625	2,904
Profit after taxation	391	2,230
<b>Profit attributable to owner of the Company</b>	<u><b>391</b></u>	<u><b>2,230</b></u>

The Moulded Power Supply Cord Sets Division generated a revenue of USD61.98 million and recorded a profit before taxation of USD2.90 million for the financial period ended 31 December 2022.

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

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

**D. Segmental Analysis**

**II. Healthcare Division**

	<b>Individual Quarter</b>	<b>Cumulative Quarters</b>
	<b>2 Months</b>	<b>8 Months</b>
	<b>01/11/2022</b>	<b>01/05/2022</b>
	<b>To</b>	<b>To</b>
<b>Summary of results</b>	<b>31/12/2022</b>	<b>31/12/2022</b>
	<b>RM’000</b>	<b>RM’000</b>
Revenue	11	94
Operating loss	(5,055)	(5,433)
Loss before interest and taxation	(5,055)	(5,433)
Loss before taxation	(5,056)	(5,434)
Loss after taxation	(5,050)	(5,428)
<b>Loss attributable to owner of the Company</b>	<b><u>(5,050)</u></b>	<b><u>(5,428)</u></b>

The Healthcare Division generated a revenue of RM0.09 million and a loss before taxation of RM5.06 million for the financial period ended 31 December 2022. Included in the loss before taxation are write down value of the slow-moving inventories of RM4.73 million and impairment loss on plant and intangible assets of RM0.05 million and RM0.14 million respectively.

**III. Travel Services Division**

	<b>Individual Quarter</b>	<b>Cumulative Quarters</b>
	<b>2 Months</b>	<b>8 Months</b>
	<b>01/11/2022</b>	<b>01/05/2022</b>
	<b>to</b>	<b>to</b>
<b>Summary of results</b>	<b>31/12/2022</b>	<b>31/12/2022</b>
	<b>RM’000</b>	<b>RM’000</b>
Revenue	399	1,027
Operating loss	(22)	(204)
Loss before interest and taxation	(22)	(204)
Loss before taxation	(22)	(205)
Loss after taxation	(22)	(205)
<b>Loss attributable to owner of the Company</b>	<b><u>(22)</u></b>	<b><u>(204)</u></b>

The Travel Services Division recorded a revenue of RM1.03 million and a loss before taxation of RM0.21 million for the financial period ended 31 December 2022.

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

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

**D. Segmental Analysis**

**IV. Investment Division**

Investment Division consists of the Company, investment holding subsidiaries and inactive subsidiaries. The Investment Division recorded a loss before taxation of RM10.83 million.

At Company level, the Company recorded a loss before taxation of RM10.76 million. Included in the loss before taxation of the Company were allowance for ECL on amount due from subsidiaries of RM4.89 million, impairment loss on investment in subsidiaries of RM0.42 million, and expenses related to corporate exercises of RM0.48 million.

In the opinion of the Directors, other than those disclosed above, the results for the current financial period ended 31 December 2022 have not been affected by any transactions or events of a material or unusual nature which have arisen from 31 December 2022 to the date of issue of this quarterly report.

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

*(Individual 3<sup>rd</sup> Quarter 2023 from 01 November 2022 to 31 December 2022 vs Individual 2<sup>nd</sup> Quarter 2023 from 01 August 2022 to 31 October 2022)*

The Group recorded a lower revenue of RM26.08 million (2Q 2023: RM108.50 million) a decrease of RM82.42 million or 76.0%. The lower revenue was due to lower sales of USD5.62 million (2Q 2023: USD23.48 million) from the Moulded Power Supply Cord Sets Division due to the lower demand from existing customers and due to the 2 months duration of reporting period in the current quarter as compared to 3 months in the immediate preceding quarter.

The Group incurred a loss before taxation of RM4.90 million (2Q 2023: Profit before taxation of RM2.08 million). The loss before taxation were mainly due to the following:

- (i) Lower profit before taxation of RM2.83 million (2Q 2023: RM3.86 million) posted by the Moulded Power Supply Cord Sets Division;
- (ii) Lower loss before taxation of RM0.02 million (2Q 2023: RM0.08 million) incurred by the Travel Services Division;
- (iii) Higher loss before taxation of RM5.06 million (2Q 2023: RM0.15 million) incurred by the Healthcare Division.
- (iv) Higher loss before taxation of RM7.73 million (2Q 2023: RM1.55 million) incurred by the Investment Division; and
- (v) Eliminations of RM5.08 million (2Q 2023: RMnil) which consist mainly of allowance for expected credit losses (“ECL”) from advances by the Company to its subsidiaries during the financial period amounting to RM4.89 million.

***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, high fluctuation of copper price, rising cost of materials and components and also the increase in shipping and freight charges and others.

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 global economic outlook is full of challenges due to high inflation rates and aggressive monetary policy tightening in major economics, fears of global recession and further escalation of geopolitical tensions.

The Malaysian Government has also announced the entering into endemic phase and re-opened all international borders in Malaysia with effective from 01 April 2022. The re-opening of most 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., which operate a sole travel retail outlet in Sky Avenue Mall, Genting Highlands.

The world including Malaysia has moved towards endemic phase and is slowly recovering from the COVID-19 pandemic impact with the re-opening of all international borders and providing less stringent Standard Operational Procedures (“SOPs”) for COVID-19 spreading preventions. These may have a negative impact to the Group’s Healthcare Division’s revenue as most individuals will focus less on healthcare products and/or services. In additions, the rising of cost of living and interest rates may reduce the consumer spending.

The Group is expecting a challenging operating and financial performance for the financial year ending 31 December 2023.

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 period ended 31 December 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 2 Months 01/11/2022 to 31/12/2022 RM’000</b>	<b>Cumulative Quarter 8 Months 01/05/2022 to 31/12/2022 RM’000</b>
<b>After charging:</b>		
Net allowance for expected credit loss	62	63
Amortisation of intangible assets	9	35
Write down value of slow-moving inventories	4,728	4,728
Retirement benefit obligations	(225)	71
Impairment loss on intangible assets	137	137
Impairment loss on plant and equipment	50	50
Depreciation – Property, plant and equipment	771	3,067
Depreciation – Right of use assets	27	109
Expenses related to short term leases	22	83
Loss on foreign exchange - Realised	3	15
Loss on foreign exchange - Unrealised	1	95
<b>And crediting:</b>		
Income related to short term leases	-	48
Gain on disposal of plant and equipment	10	12
Gain on foreign exchange – Realised	226	817
Gain on foreign exchange - Unrealised	(1,199)	682

**6. Finance income**

	<b>Individual Quarter 2 Months 01/11/2022 to 31/12/2022 RM’000</b>	<b>Cumulative Quarter 8 Months 01/05/2022 to 31/12/2022 RM’000</b>
<b>Interest income</b>		
- bank accounts	7	41
	<b>7</b>	<b>41</b>

**7. Finance costs**

	<b>Individual Quarter 2 Months 01/11/2022 to 31/12/2022 RM’000</b>	<b>Cumulative Quarter 8 Months 01/05/2022 to 31/12/2022 RM’000</b>
<b>Interest expense</b>		
– trade finance	40	635
– term loans	41	168
– hire purchase leases	3	17
– other leases	1	4
	<b>85</b>	<b>824</b>

***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 2 Months 01/11/2022 to 31/12/2022 RM'000</b>	<b>Cumulative Quarter 8 Months 01/05/2022 to 31/12/2022 RM'000</b>
<b>a. Expected income tax payable</b>		
<b>(i) Current income tax expense</b>		
- Malaysia	-	-
- Overseas	(1,122)	(3,097)
	<u>(1,122)</u>	<u>(3,097)</u>
<b>(ii) Over/(Under) provision in prior year</b>		
- Malaysia	6	6
- Overseas	-	-
	<u>6</u>	<u>6</u>
<b>b. Deferred tax</b>		
<b>(i) Current year</b>		
- Malaysia	94	94
- Overseas	69	69
	<u>163</u>	<u>163</u>
<b>(ii) Over/(Under) provision in prior year</b>		
- Malaysia	-	-
- Overseas	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>(953)</u></b>	<b><u>(2,928)</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 December 2022.

**10. 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 31 December 2022 is as follows:

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

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

	<b>Unaudited 31/12/2022 RM'000</b>	<b>Audited 30/04/2022 RM'000</b>
<b>Unquoted shares at cost</b>		
At beginning of period/year	1,127	980
Subscription of additional new ordinary shares	-	147
At end of period/year	<u>1,127</u>	<u>1,127</u>
	<b>Unaudited 31/12/2022 RM'000</b>	<b>Audited 30/04/2022 RM'000</b>
Unquoted shares at cost	1,127	1,127
Share of post-acquisition loss	<u>(1,127)</u>	<u>(1,127)</u>
	<u>-</u>	<u>-</u>

The Group's share of post-acquisition loss was capped at RM1.13 million, being the equivalent cost of investment in the associate.

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

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

	<b>Unaudited 01/01/2022 to 31/12/2022 RM'000</b>	<b>Unaudited 01/01/2022 to 30/04/2022 RM'000</b>	<b>Audited 01/01/2021 to 31/12/2021 RM'000</b>
Revenue	4,790	1,109	1,572
Loss before tax	(5,546)	(1,867)	(4,892)
Net loss/Total comprehensive loss	<u>(5,546)</u>	<u>(1,867)</u>	<u>(4,893)</u>

**(b) Summarised statement of financial position**

	<b>Unaudited 31/12/2022 RM'000</b>	<b>Unaudited 30/04/2022 RM'000</b>	<b>Audited 31/12/2021 RM'000</b>
<b>Assets</b>			
Non-current assets	9,143	11,778	13,080
Current assets	<u>5,862</u>	<u>5,737</u>	<u>6,353</u>
Total assets	<u>15,005</u>	<u>17,515</u>	<u>19,433</u>
<b>Liabilities</b>			
Non-current liabilities	8,810	8,818	9,554
Current liabilities	<u>27,070</u>	<u>25,893</u>	<u>25,208</u>
Total liabilities	<u>35,880</u>	<u>34,711</u>	<u>34,762</u>
<b>Net liabilities</b>	<u>(20,875)</u>	<u>(17,196)</u>	<u>(15,329)</u>

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



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

**11. Group Borrowings and Debt Securities**

	As at 31 December 2022					
	Long term		Short term		Total borrowing	
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
<b>Secured borrowings</b>						
Term Loan 1	-	3,055	-	200	-	3,255
Term Loan 2	-	968	-	176	-	1,144
Trade financing*	-	-	3,232	14,189	-	14,189
		4,023	3,232	14,565		18,588
<b>Lease liabilities</b>						
Hire purchase leases	-	396	-	146	-	542
Other leases	-	29	-	21	-	50
	-	425	-	167	-	592
	-	<b>4,448</b>	<b>3,232</b>	<b>14,732</b>	-	<b>19,180</b>

\* USD1.0000 is equivalent to RM4.3900

	As at 30 April 2022					
	Long term		Short term		Total borrowing	
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
<b>Secured borrowings</b>						
Term Loan 1	-	3,266	-	194	-	3,460
Term Loan 2	-	1,088	-	163	-	1,251
Trade financing*	-	-	6,451	28,062	6,451	28,062
		4,354	6,451	28,419	6,451	32,773
<b>Lease liabilities</b>						
Hire purchase liabilities	-	488	-	178	-	666
Other lease liabilities	-	42	-	22	-	64
	-	530	-	200	-	730
	-	<b>4,884</b>	<b>6,451</b>	<b>28,619</b>	<b>6,451</b>	<b>33,503</b>

\* USD1.0000 is equivalent to RM4.3500

**12. Off Balance Sheet Financial Instruments**

The Group did not have any financial instruments with off balance sheet risk as at 20 February 2023, 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 year ended 30 April 2022.

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

**14. Material Litigation**

There is no material litigation for the Group as at 20 February 2023, being the latest practicable date.

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

The proposed and actual utilisation of RM2,939,792 proceeds raised from the Private Placement of 23,708,000 new ordinary shares at an issue price of RM0.124 each, which was completed on 28 July 2022 are as follows:

Proposed utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation as at 20/02/2023 RM'000	Balance RM'000	Estimated timeframe for utilisation from listing of Placement Shares
Working capital purposes	2,940	(2,940)	-	Within 12 months

**16. Change of Financial Year End**

On 02 November 2022, the Company had announced that it has changed its financial year end from 30 April to 31 December. Therefore, the Group's current financial reporting period shall be eight (8) months commencing from 01 May 2022 to 31 December 2022.

**17. Loss Per Share**

**Basic**

	Individual Quarter 2 Months 01/11/2022 to 31/12/2022	Cumulative Quarters 8 Months 01/05/2022 to 31/12/2022
Profit/(Loss) attributable to shareholders of the Company (RM'000)	(5,854)	(1,251)
Weighted average number of ordinary shares ('000) – basic	654,256	654,256
<b>Basic (sen)</b>	<b><u>(0.89)</u></b>	<b><u>(0.19)</u></b>



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

**17. Loss Per Share** *(continued)*

**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: 27 February 2023