



## HO WAH GENTING BERHAD

(Company No: 199301018185 / 272923-H)

(Incorporated In Malaysia)

### NOTES TO FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

#### 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 31 December 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 period ended 31 December 2022 except for the adoption of the following standards which are applicable to its financial statements effective from 1 January 2023:

		<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

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 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 period ended 31 December 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**

There was no issuance, cancellation, repurchase, resale nor repayment of debt and equity securities, share buy-backs during the current quarter under review.

**8. Dividends Paid**

No dividend was paid in the current quarter under review.

**9. The Status of Corporate Proposals**

On 19 May 2023, the Company through its advisor Kenanga Investment Bank Berhad (“KIBB”) had announced that the Company will be undertaking the following proposals:

- (a) Proposed consolidation of every 4 existing shares in Ho Wah Genting Berhad (“HWGB Shares(s)” or “Shares(s)”) into 1 new HWGB Share (“Consolidated Share(s)”) (“Proposed Share Consolidation”); and



***PART A (continued)***

**9. The Status of Corporate Proposals (continued)**

- (b) Proposed Private Placement of up to 30% of the total number of issued shares in HWGB (excluding treasury shares, if any), to third party investor(s) to be identified later at an issue price to be determined later (“Placement Shares”) (“Proposed Private Placement”). The Proposed Private Placement will be undertaken after the completion of the Proposed Share Consolidation.

(Collectively referred to as “Proposal”)

On 23 May 2023, the Company through its advisor KIBB had announced that the Company had on the same date has submitted the application in relation to the Proposals to BMSB.

**10. Segmental Reporting**

Analysis of the Group’s segmental revenue, results, assets and liabilities for business segments for the financial period ended 31 March 2023 are as follows:



**PART A** (continued)

**10. Segmental Reporting** (continued)

<b>Current 3 months period ended 31 March 2023</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	35	40,378	29	247	40,689	-	40,689
Inter-segment revenue	-	-	-	-	-	-	-
	<u>35</u>	<u>40,378</u>	<u>29</u>	<u>247</u>	<u>40,689</u>	<u>-</u>	<u>40,689</u>
<b>Segmental revenue by regions</b>							
Malaysia	35	540	29	247	851	-	851
The rest of Asia	-	3,861	-	-	3,861	-	3,861
North America	-	35,977	-	-	35,977	-	35,977
	<u>35</u>	<u>40,378</u>	<u>29</u>	<u>247</u>	<u>40,689</u>	<u>-</u>	<u>40,689</u>
<b>Results</b>							
<b>Profit/(Loss) from operations</b>	(1,729)	1,928	(187)	(58)	(46)	-	(46)
Finance income	7	3	-	-	10	-	10
Finance costs	(108)	(145)	-	-	(253)	-	(253)
<b>Profit/(Loss) before income tax expense</b>	(1,830)	1,786	(187)	(58)	(289)	-	(289)
Income tax expense	-	(439)	-	-	(439)	-	(439)
<b>Net profit/(loss) for the period</b>	(1,830)	1,347	(187)	(58)	(728)	-	(728)
Non-controlling interests	35	-	-	-	35	-	35
<b>Net profit/(loss) attributable to owners of the Company</b>	(1,795)	1,347	(187)	(58)	(693)	-	(693)
<b>Assets and liabilities as at 31 March 2023</b>							
Segment assets - Consolidated total assets	112,339	115,402	4,618	-	232,359	(93,307)	139,052
Segment liabilities - Consolidated total liabilities	19,542	66,832	13,562	-	99,936	(34,679)	65,257
<b>Segmental non-current assets by regions as at 31 March 2023</b>							
Malaysia	84,022	-	22	-	84,044	(73,436)	10,608
The rest of Asia	-	21,070	-	-	21,070	7,788	28,858
	<u>84,022</u>	<u>21,070</u>	<u>22</u>	<u>-</u>	<u>105,114</u>	<u>(65,648)</u>	<u>39,466</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**

- (a) On 27 February 2023, the Company disposed off its entire direct shareholding of 5,968,999 ordinary shares representing 99.5% shareholding in Ho Wah Genting Holiday Sdn. Bhd. (“HWG Holiday”) and 1 ordinary share held indirectly by the Company’s wholly owned subsidiary Dviria Nano Tech Sdn. Bhd. to two (2) non related parties for a total cash consideration of RM160,000. HWG Holiday has an issued and paid up capital of RM6,000,000 represented by 6,000,000 ordinary shares. HWG Holiday is principally engaged in the business of travel agent and those related services.

HWG Holiday has a wholly owned subsidiary, namely HWG Travel (MM2H) Sdn. Bhd. (“HWG Travel MM2H”) with issued and paid up capital of RM50,000 represented by 50,000 ordinary shares. HWG Travel MM2H is principally engaged in rendering personalised services such as immigration matters under the “Malaysia My Second Home” Programme and other related services to any person setting up their second home in Malaysia.

Consequence to the disposal, both HWG Holiday and HWG Travel MM2H has ceased to be a direct and indirect subsidiary of the Company with effective from the date of disposal.

- (b) On 29 March 2023, the Company disposed off its entire direct shareholding of 65,000 ordinary shares representing 65% shareholding in HWGB EV Sdn Bhd (“HWGB EV”) to a non-related party for a cash consideration of RM2. HWGB EV has an issued and paid up capital of RM100,000 represented by 100,000 ordinary shares. HWGB EV is principally engaged as dealers, distributors and/or seller of particularly but not restricted to assembled electric motor vehicles or motor vehicles of all descriptions. As at the date of disposal, HWGB EV is still an inactive company.

Consequence to the disposal, HWGB EV has ceased to be a subsidiary of the Company with effective from the date of disposal.



*PART A (continued)*

**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 (First Quarter) Current Year Quarter 01/01/2023 to 31/03/2023 RM'000</b>	<b>Cumulative Quarters (Year to-date)  Current Year todate 01/01/2023 to 31/03/2023 RM'000</b>
Revenue	40,689	40,689
Loss from operations	(46)	(46)
Loss before interest and taxation	(46)	(46)
Loss before taxation	(289)	(289)
Loss after taxation	(728)	(728)
Loss attributable to owners of the Company	(693)	(693)

***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 RM40.69 million for the financial period ended 31 March 2023. The Group’s revenue is mainly derived from the Moulded Power Supply Cord Sets Division in Indonesia which represented approximately 99.2% of the total revenue of the Group. The average exchange rate used for the financial period ended 31 March 2023 was RM4.3907/USD.

The Group incurred a loss before taxation of RM0.29 million in the current financial period and were derived from the following:

- (a) Profit before taxation of RM1.79 million from Moulded Power Supply Cords Sets Division;
- (b) Loss before taxation of RM0.06 million from the Travel Services Division;
- (c) Loss before taxation of RM0.19 million from the Healthcare Division; and
- (d) Loss before taxation of RM1.83 million from the Investment Division

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

	<b>Unaudited</b>	<b>Audited</b>	<b>Changes</b>	
	<b>31/03/2023</b>	<b>31/12/2022</b>	<b>RM’000</b>	<b>%</b>
	<b>RM’000</b>	<b>RM’000</b>		
Non-current assets	39,466	40,285	(819)	-2.0
Current assets	99,586	91,279	8,307	9.1
Current liabilities	(51,889)	(44,584)	7,305	16.4
Non-current liabilities	(13,368)	(12,770)	598	4.7
Equity attributable to owners of the Company	(73,795)	(74,181)	(386)	-0.5
Non-controlling interest	-	(29)	(29)	-100.0
Total equity	(73,795)	(74,210)	(415)	-0.6

*Figures in bracket denotes credit balances*

The decrease of RM0.82 million or 2.0% in non-current assets were mainly due to the following:

- (a) Purchase of plant and equipment of RM0.59 million and intangibles of RM0.04 million;
- (b) Depreciation of property, plant and equipment and right of use assets of RM1.20 million and RM0.04 million respectively;
- (c) Non-current assets for disposed subsidiaries of RM0.36 million
- (d) Net increase in exchange differences of RM0.14 million from the conversion of a foreign subsidiary.



***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 of RM8.31 million or 9.1% in current assets were mainly due to the following:

- (a) Increase in trade receivables of RM4.11 million from Moulded Power Supply Cord Sets Division;
- (b) Increase in other receivables and prepayment of RM6.45 million for the purchase of raw materials from the Moulded Power Supply Cord Sets Division;
- (c) Increase in inventories and finished goods of RM6.88 million of the Moulded Power Supply Cord Sets Division;
- (d) Current assets for disposed subsidiaries of RM0.30; and
- (e) Decrease in cash and bank balances of RM9.03 million

The increase of RM7.31 million or 16.4% in current liabilities were mainly due to the following:

- (a) Decrease in trade payables of RM4.60 million for the Moulded Power Supply Cord Sets Division;
- (b) Increase in other payables for the Company from non-related party advances of RM5.0 million;
- (c) Increase in tax payable of RM0.06 million for a foreign subsidiary;
- (d) Current liabilities for disposed subsidiaries of RM0.2 million and
- (e) Increase in trade financing borrowings of RM6.90 million.

The increase in non-current liabilities of RM0.60 million or 4.7% were mainly due to the following:

- (a) Increase in retirement benefits obligation of RM0.12 million for a foreign subsidiary;
- (b) Increase in long term borrowings of RM0.52 million; and
- (c) Decrease in long term lease liabilities of RM0.05 million;

The decrease in “equity attributable to owners of the Company” of RM0.39 million or 0.5% were due to the following:

- (a) Loss attributable to the owners of the Company for the period of RM0.69 million; and
- (b) Gain on foreign currency translation differences of RM0.30 million.

The decrease in non-controlling interest (“NCI”) from RM29,000 to RMnil were due to the share of losses by NCI and the disposal of subsidiaries during the quarter under review.

The decrease in “total equity” of RM0.42 million or 0.6% were due to similar reasons stated in the decrease in equity attributable to owners of the Company and the decrease in NCI above.

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

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

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

	<b>Unaudited 01/01/2023 to 31/03/2023 RM’000</b>
Net cash used in operating activities	(16,084)
Net cash used in investing activities	(623)
Net cash from financing activities	7,250
Exchange difference	423
<b>Net decrease in cash and cash equivalents</b>	<b>(9,034)</b>

The “net cash used in operating activities” for the current financial period ended 31 March 2023 of RM16.08 million were mainly due to the following:

- (a) Net cash from “operating profit before working capital changes” of RM1.30 million;
- (b) Negative net change in inventories of RM6.88 million;
- (c) Negative net change in trade and other receivables of RM10.74 million;
- (d) Positive net change in trade and other payables of RM0.97 million;
- (e) Payment of income tax of RM0.43 million;
- (f) Payment of retirement benefits of RM0.06 million; and
- (g) Net interest paid of RM0.24 million.

The “net cash used in investing activities” of RM0.62 million were due to the following:

- (a) Purchase of plant and equipment and intangibles of RM0.59 million and RM0.04 million respectively; and
- (b) Proceeds from disposal of subsidiaries of RM0.16 million and net cash outflow from the disposal of subsidiaries of RM0.15 million.

The “net cash from financing activities” of RM7.25 million were due to the following:

- (a) Net proceeds from trade financing facilities of RM6.61 million;
- (b) Drawdown of RM0.85 million term loan by the Moulded Power Supply Cord Sets Division to part finance the purchase of plant and machineries; and
- (c) Repayment of term loans of RM0.11 million and lease liabilities of RM0.05 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 3 Months 01/01/2023 to 31/03/2023 USD’000</b>	<b>Cumulative Quarters 3 Months 01/01/2023 to 31/03/2023 USD’000</b>
<b>Summary of revenue by regions</b>		
<b>Sales to external parties</b>		
North America	8,194	8,194
Malaysia	123	123
The rest of Asia	879	879
	<b>9,196</b>	<b>9,196</b>

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

The sales to North America was USD8.19 million, to Malaysia was USD0.12 million and to the rest of Asia was USD0.88 million. The average copper price purchased for the financial period was USD8,627 per metric tonne (“MT”).

	<b>Individual Quarter 3 Months 01/01/2023 to 31/03/2023 USD’000</b>	<b>Cumulative Quarters 3 Months 01/01/2023 to 31/03/2023 USD’000</b>
<b>Summary of results</b>		
Revenue	9,196	9,196
Operating profit	439	439
Profit before interest and taxation	439	439
Profit before taxation	407	407
Profit after taxation	307	307
<b>Profit attributable to owner of the Company</b>	<b>307</b>	<b>307</b>

The Moulded Power Supply Cord Sets Division generated a revenue of USD9.20 million and recorded a profit before taxation of USD0.41 million for the financial period ended 31 March 2023.

***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 3 Months 01/01/2023 to 31/03/2023 RM’000</b>	<b>Cumulative Quarters 3 Months 01/01/2023 to 31/03/2023 RM’000</b>
<b>Summary of results</b>		
Revenue	29	29
Operating loss	(187)	(187)
Loss before interest and taxation	(187)	(187)
Loss before taxation	(187)	(187)
Loss after taxation	(187)	(187)
<b>Loss attributable to owner of the Company</b>	<b><u>(187)</u></b>	<b><u>(187)</u></b>

The Healthcare Division recorded a revenue of RM0.03 million and a loss before taxation of RM0.19 million for the financial period ended 31 March 2023.

**III. Travel Services Division**

	<b>Individual Quarter 3 Months 01/01/2023 to 31/03/2023 RM’000</b>	<b>Cumulative Quarters 3 Months 01/01/2023 to 31/03/2023 RM’000</b>
<b>Summary of results</b>		
Revenue	247	247
Operating loss	(58)	(58)
Loss before interest and taxation	(58)	(58)
Loss before taxation	(58)	(58)
Loss after taxation	(58)	(58)
<b>Loss attributable to owner of the Company</b>	<b><u>(58)</u></b>	<b><u>(58)</u></b>

The Travel Services Division recorded a revenue of RM0.25 million and a loss before taxation of RM0.06 million for the financial period ended 31 March 2023.

As stated in Part A Note 13 (a) “Changes in the Composition of the Group”, the Travel Services Division which consist of Ho Wah Genting Holiday Sdn Bhd and HWG Travel (MM2H) Sdn Bhd had ceased to become a direct and indirect subsidiaries of the Company with effective from the date of disposal on 27 February 2023.

***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 RM1.83 million.

At Company level, the Company recorded a loss before taxation of RM1.79 million.

In the opinion of the Directors, other than those disclosed above, the results for the current financial period ended 31 March 2023 have not been affected by any transactions or events of a material or unusual nature which have arisen from 31 March 2023 to the date of issue of this quarterly report.

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

*(Individual 1<sup>st</sup> Quarter 2023 from 01 January 2023 to 31 March 2023 vs Preceding Quarter from 01 November 2022 to 31 December 2022)*

The Group recorded a higher revenue of RM40.69 million (01/11/2022 to 31/12/2022: RM26.08 million) an increase of RM14.61 million or 56.0%. The higher revenue was due to sales of USD9.20 million (01/11/2022 to 31/12/2022: USD5.62 million) from the Moulded Power Supply Cord Sets Division due to the higher demand from existing customers and the one month shorter duration of reporting period in the preceding quarter.

The Group incurred a loss before taxation of RM0.29 million (01/11/2022 to 31/12/2022: Loss before taxation of RM4.90 million). The lower loss before taxation were mainly due to the following:

- (i) Lower profit before taxation of RM1.79 million (01/11/2022 to 31/12/2022: RM2.83 million) posted by the Moulded Power Supply Cord Sets Division;
- (ii) Higher loss before taxation of RM0.06 million (01/11/2022 to 31/12/2022: RM0.02 million) incurred by the Travel Services Division;
- (iii) Lower loss before taxation of RM0.19 million (01/11/2022 to 31/12/2022: RM5.05 million) incurred by the Healthcare Division.
- (iv) Lower loss before taxation of RM1.83 million (01/11/2022 to 31/12/2022: RM2.51 million) incurred by the Investment 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 United States of America (“USA”) market, rising inflationary cost in Indonesia, especially the compulsory annual increment of wages and salaries, high fluctuation of copper price and rising cost of materials and components.

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 economies, fears of recession in USA and further escalation of geopolitical tensions.

The re-opening of all international borders worldwide including China, after the endemic will boost up the tourism industry and this will increase the revenue of the Group’s 49% associate Dufry HWG Shopping Sdn Bhd., which operate a sole travel retail outlet in Sky Avenue Mall, Genting Highlands. Also, the weakening of RM against major currencies may encourage foreign tourists to choose Malaysia as their choice of holiday destination.

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 March 2023.

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

**5. Loss from operations**

Loss from operations is derived at:

	<b>Individual Quarter 3 Months 01/01/2023 to 31/03/2023 RM’000</b>	<b>Cumulative Quarter 3 Months 01/01/2023 to 31/03/2023 RM’000</b>
<b>After charging:</b>		
Amortisation of intangible assets	1	1
Retirement benefit obligations	145	145
Depreciation – Property, plant and equipment	1,195	1,195
Depreciation – Right of use assets	41	41
Expenses related to short term leases	39	39
Loss on foreign exchange - Realised	193	193
Loss on foreign exchange - Unrealised	111	111
<b>And crediting:</b>		
Gain on disposal of subsidiaries	36	36
Gain on foreign exchange – Realised	1	1
Gain on foreign exchange - Unrealised	111	111
	<u>111</u>	<u>111</u>

**6. Finance income**

	<b>Individual Quarter 3 Months 01/01/2023 to 31/03/2023 RM’000</b>	<b>Cumulative Quarter 3 Months 01/01/2023 to 31/03/2023 RM’000</b>
<b>Interest income</b>		
- bank accounts	10	10
	<u>10</u>	<u>10</u>

**7. Finance costs**

	<b>Individual Quarter 3 Months 01/01/2023 to 31/03/2023 RM’000</b>	<b>Cumulative Quarter 3 Months 01/01/2023 to 31/03/2023 RM’000</b>
Interest expense		
– trade finance	145	145
– term loans	63	63
– hire purchase leases	6	6
– other leases	1	1
- Interest on non related party advances	38	38
	<u>253</u>	<u>253</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 01/01/2023 to 31/03/2023 RM'000</b>	<b>Cumulative Quarter 3 Months 01/01/2023 to 31/03/2023 RM'000</b>
<b>a. Expected income tax payable</b>		
<b>(i) Current income tax expense</b>		
- Malaysia	-	-
- Overseas	(439)	(439)
	<u>(439)</u>	<u>(439)</u>
<b>(ii) Over/(Under) provision in prior year</b>		
- Malaysia	-	-
- Overseas	-	-
	<u>-</u>	<u>-</u>
<b>b. Deferred tax</b>		
<b>(i) Current year</b>		
- Malaysia	-	-
- Overseas	-	-
	<u>-</u>	<u>-</u>
<b>(ii) Over/(Under) provision in prior year</b>		
- Malaysia	-	-
- Overseas	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>(439)</u></b>	<b><u>(439)</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 March 2023.

**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 March 2023 is as follows:



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

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

	<b>Unaudited 31/03/2023 RM'000</b>	<b>Audited 31/12/2022 RM'000</b>
<b>Unquoted shares at cost</b>		
At beginning/end of periods	1,127	1,127
	<u>1,127</u>	<u>1,127</u>
	<b>Unaudited 31/03/2023 RM'000</b>	<b>Audited 31/12/2022 RM'000</b>
Unquoted shares at cost	1,127	1,127
Share of post-acquisition loss	(1,127)	(1,127)
	<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 01/01/2023 To 31/03/2023 RM'000</b>	<b>Audited 01/01/2022 To 31/12/2022 RM'000</b>
Revenue	1,599	4,790
Loss before tax	(1,258)	(5,557)
Net loss/Total comprehensive loss	<u>(1,258)</u>	<u>(5,557)</u>

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

	<b>Unaudited 31/03/2023 RM'000</b>	<b>Audited 31/12/2022 RM'000</b>
<b>Assets</b>		
Non-current assets	8,099	9,052
Current assets	5,117	5,754
Total assets	<u>13,216</u>	<u>14,806</u>
<b>Liabilities</b>		
Non-current liabilities	8,169	7,219
Current liabilities	27,192	28,474
Total liabilities	<u>35,361</u>	<u>35,693</u>
<b>Net liabilities</b>	<u>(22,145)</u>	<u>(20,887)</u>

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

**11. Group Borrowings and Debt Securities**

	As at 31 March 2023					
	Long term		Short term		Total borrowing	
	Denomination		Denomination		Denomination	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
<b>Secured borrowings</b>						
Term Loan 1	-	2,989	-	203	-	3,192
Term Loan 2	-	924	-	177	-	1,101
Term Loan 3*	144	634	48	212	192	846
Trade financing*	-	-	4,726	20,873	4,726	20,873
	144	4,547	4,774	21,465	4,918	26,012
<b>Lease liabilities</b>						
Hire purchase leases	-	362	-	138	-	500
Other leases	-	15	-	16	-	31
	-	377	-	154	-	531
	<b>144</b>	<b>4,924</b>	<b>4,774</b>	<b>21,619</b>	<b>4,918</b>	<b>26,543</b>

\* USD1.0000 is equivalent to RM4.4170

	As at 31 December 2022					
	Long term		Short term		Total borrowing	
	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	3,232	14,189
	-	4,023	3,232	14,565	3,232	18,588
<b>Lease liabilities</b>						
Hire purchase liabilities	-	396	-	146	-	542
Other lease liabilities	-	29	-	21	-	50
	-	425	-	167	-	592
	<b>-</b>	<b>4,448</b>	<b>3,232</b>	<b>14,732</b>	<b>3,232</b>	<b>19,180</b>

\* USD1.0000 is equivalent to RM4.3900

**12. Off Balance Sheet Financial Instruments**

The Group did not have any financial instruments with off balance sheet risk as at 18 May 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 period ended 31 December 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 18 May 2023, being the latest practicable date.

**15. Loss Per Share**

**Basic**

	<b>Individual Quarter 3 Months 01/01/2023 to 31/03/2023</b>	<b>Cumulative Quarters 3 Months 01/01/2023 to 31/03/2023</b>
Loss attributable to owners of the Company (RM'000)	(693)	(693)
Weighted average number of ordinary shares ('000) – basic	662,578	662,578
<b>Basic (sen)</b>	<b><u>(0.10)</u></b>	<b><u>(0.10)</u></b>

**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: 25 May 2023