



## HO WAH GENTING BERHAD

(Company No: 199301018185 / 272923-H)

(Incorporated In Malaysia)

### NOTES TO FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 year 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 and effective and have will be 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 7 and MFRS 107	Supplier Financial Arrangements	01 January 2024

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:

**PART A** (continued)

**2. Significant Accounting Policies** (continued)

		<b>Effective date</b>
Amendments to MFRS 121	: Lack of Exchangeability	01 January 2025
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 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 second quarter and normally will peak in the third quarter arising from increase in customers' demand in anticipation of the festive seasons towards year end and the demand will gradually decline from the fourth quarter till the first quarter 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**

**(a) Exercise of Employee Share Option Scheme (“ESOS”)**

On 21 July 2023, the Company converted 109 ESOS into 109 new HWGB ordinary shares at the exercise price of RM0.6200 pursuant to the exercise of ESOS by an eligible employee.

**(b) Private Placement of Shares**

Tranche	Price Fixing Date	Listing and Quotation Date	No. of Placement Shares Issued Units	5-day Volume Weighted Average Market Price (“VWAMP”) RM	Issued Price RM	Total Proceeds Raised RM’000
1	08/08/2023	16/08/2023	25,517,600	0.3004	0.2704	6,900
2	16/10/2023	20/10/2023	14,384,900	0.2394	0.2155	3,100
			<b>39,902,500</b>			<b>10,000</b>

**8. Dividends Paid**

No dividend was paid in the current quarter under review.

**9. The Status of Corporate Proposals**

**(a) Proposed Share Consolidation and Proposed Private Placement**

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:

- (i) 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
- (ii) 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”)

*PART A (continued)*

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

**(a) Proposed Share Consolidation and Proposed Private Placement** *(continued)*

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.

On 08 June 2023, the Company through its advisor KIBB had announced that the Company has resolved to amend the utilisation of proceeds to be raised from the Proposed Private Placement.

On 13 June 2023, the Company through its advisor KIBB had announced that BMSB vide its letter dated the same date, approved the following:

- (i) Proposed Share Consolidation; and
- (ii) Listing and quotation of up to 49,728,048 new HWGB Shares to be issued pursuant to the Proposed Private Placement.

BMSB's approval is subject to the following conditions:

- (i) HWGB and KIBB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;
- (ii) KIBB to inform BMSB upon the completion of the Proposals;
- (iii) HWGB or KIBB to furnish BMSB with certified true copies of the resolutions passed by the shareholders approving the Proposals, prior to the listing and quotation of the consolidated shares and the new ordinary shares to be issued pursuant to the Proposed Private Placement;
- (iv) KIBB to furnish BMSB with a written confirmation of its compliance with the terms and conditions of BMSB's approval once respective Proposals are completed; and
- (v) HWGB or KIBB is required to make the announcement pursuant Paragraph 13.20 (2) of the Listing Requirements.

On 13 July 2023, the Company had announced that the shareholders of the Company have at the Extraordinary General Meeting (“EGM”) held on same day, approved all the resolutions set out in the Notice of the EGM dated 21 June 2023.

On 14 July 2023, the Company had announced that the closing for Entitlement Date and Time for the Share Consolidation shall be at 5.00 pm on 31 July 2023.

*PART A (continued)*

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

**(a) Proposed Share Consolidation and Proposed Private Placement** *(continued)*

On 31 July 2023, the Company through its advisor KIBB had announced that HWGB's existing number of 662,578,000 Shares will be consolidated into 165,644,500 Consolidated Shares after 5.00pm on the same date (after disregarding the fractional entitlements arising from the Share Consolidation) pursuant to the Share Consolidation. The Consolidated Shares will be listed and quoted on the Main Market of BMSB with effect from 9.00 am on 01 August 2023, being the next market day immediately after the Entitlement Date.

On 01 August 2023, the Company through its advisor KIBB had announced that the Share Consolidation has been completed following the listing and quotation of 165,644,500 Consolidated Shares on the Main Market of BMSB.

On 08 August 2023, the Company through its advisor KIBB had announced that the Board of Directors of HWGB has resolved to fix the issue price for the first tranche of private placement at RM0.2704 per Placement Share ("1<sup>st</sup> Tranche Issue Price"). The 1<sup>st</sup> Tranche Issue Price represents a discount of approximately RM0.0300 or 9.99% to the 5-day Volume Weighted Average Market Price ("VWAMP") of HWGB Shares up to and including 07 August 2023, being the latest trade day of HWGB Shares immediately before the price-fixing date, of RM0.3004 per HWGB Share.

On 16 August 2023, the Company through its advisor KIBB had announced that the listing and quotation of the first tranche private placement comprising of 25,517,600 Placement Shares (based on the 1<sup>st</sup> Tranche Issue Price) on the Main Market of BMSB has been completed on the same date.

On 16 October 2023, the Company through its advisor KIBB had announced that the Board of Directors of HWGB has resolved to fix the issue price for the second tranche of private placement at RM0.2155 per Placement Share ("2<sup>nd</sup> Tranche Issue Price"). The 2<sup>nd</sup> Tranche Issue Price represents a discount of approximately RM0.0239 or 9.98% to the 5-day Volume Weighted Average Market Price ("VWAMP") of HWGB Shares up to and including 13 October 2023, being the latest trade day of HWGB Shares immediately before the price-fixing date, of RM0.2394 per HWGB Share.

On 20 October 2023, the Company through its advisor KIBB had announced that the listing and quotation of the second tranche private placement comprising of 14,384,900 Placement Shares (based on the 2<sup>nd</sup> Tranche Issue Price) on the Main Market of BMSB has been completed on the same date.

On 12 December 2023, the Company through its advisor KIBB had announced that the Company had completed the implementation of the Private Placement within 6 months from the approval. Accordingly, the Private Placement is deemed completed on 12 December 2023.

*PART A (continued)*

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

- (b) **Memorandum of Understanding (“MoU”) entered into between HWGB Capital Sdn Bhd (“HWGB Capital”) (formerly known as HWG Fintech Capital Sdn Bhd”) and Madam Leong Oi Heng (“Vendor”) for the Proposed Acquisition of shares in Advanced Apotheke Sdn Bhd (“Apotheke”)**

On 23 August 2023, the Company had announced that its wholly owned subsidiary, HWGB Capital had on the same date entered into a MoU with the Vendor for the purposes of recording the parties’ intentions with respect to a proposed acquisition of such number of ordinary shares representing 55% of the entire issued share capital of Apotheke from the Vendor subject to the terms set out in a definitive agreement to be entered into by the parties and the principal terms and conditions of which are set out in the MoU.

**10. Segmental Reporting**

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

## 10. Segmental Reporting (continued)

Current year's 12 months ended 31 December 2023	Investments RM'000	Moulded Power Supply Cords Sets RM'000	Healthcare RM'000	Travel Services RM'000	Total RM'000	Elimination RM'000	Group RM'000
<b>Segmental revenue by strategic/functional division units</b>							
External revenue	100	254,791	85	247	255,223	-	255,223
Inter-segment revenue	-	-	181	-	181	(181)	-
	<b>100</b>	<b>254,791</b>	<b>266</b>	<b>247</b>	<b>255,404</b>	<b>(181)</b>	<b>255,223</b>
<b>Segmental revenue by regions</b>							
Malaysia	100	623	266	247	1,236	(181)	1,055
The rest of Asia	-	27,125	-	-	27,125	-	27,125
North America	-	227,043	-	-	227,043	-	227,043
	<b>100</b>	<b>254,791</b>	<b>266</b>	<b>247</b>	<b>255,404</b>	<b>(181)</b>	<b>255,223</b>
<b>Results</b>							
<b>Profit/(Loss) from operations</b>	(8,731)	13,785	(468)	(58)	4,528	816	5,344
Finance income	62	10	-	-	72	-	72
Finance costs	(503)	(1,048)	-	-	(1,551)	-	(1,551)
<b>Profit/(Loss) before income tax expense</b>	(9,172)	12,747	(468)	(58)	3,049	816	3,865
Income tax expense	141	(2,849)	-	-	(2,708)	-	(2,708)
<b>Net profit/(loss) for the period</b>	<b>(9,031)</b>	<b>9,898</b>	<b>(468)</b>	<b>(58)</b>	<b>341</b>	<b>816</b>	<b>1,157</b>
Non-controlling interests	35	-	-	-	35	-	35
<b>Net profit/(loss) attributable to owners of the Company</b>	<b>(8,996)</b>	<b>9,898</b>	<b>(468)</b>	<b>(58)</b>	<b>376</b>	<b>816</b>	<b>1,192</b>
<b>Assets and liabilities as at 31 December 2023</b>							
Segment assets - Consolidated total assets	109,269	108,961	4,039	-	222,269	(90,712)	131,557
Segment liabilities - Consolidated total liabilities	12,879	49,555	13,852	-	76,286	(32,937)	43,349
<b>Segmental non-current assets by regions as at 31 December 2023</b>							
Malaysia	83,255	-	20	-	83,255	(73,257)	9,998
The rest of Asia	-	23,775	-	-	23,775	7,418	31,193
	<b>83,255</b>	<b>23,775</b>	<b>20</b>	<b>-</b>	<b>106,966</b>	<b>(65,839)</b>	<b>41,191</b>

*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 (continued)***

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

**A. Summary and Commentary on Statement of Comprehensive Income of the Group**

	<b>Individual Quarter (Period to-date) Current Year’s Quarter 3 months 01/10/2023 to 31/12/2023 RM’000</b>	<b>Cumulative Quarters (Year to-date)  Current Year 12 months 01/01/2023 To 31/12/2023 RM’000</b>
Revenue	49,035	255,223
Profit/(Loss) from operations	(2,680)	5,344
Profit/(Loss) before interest and taxation	(2,680)	5,344
Profit/(Loss) before taxation	(2,838)	3,865
Profit/(Loss) after taxation	(2,566)	1,157
Profit/(Loss) attributable to owners of the Company	(2,566)	1,192

The Group recorded a revenue of RM255.22 million for the financial year ended 31 December 2023. The Group’s revenue is mainly derived from the Moulded Power Supply Cord Sets Division in Indonesia which represented approximately 99.8% of the total revenue of the Group. The average exchange rate used for the financial Year ended 31 December 2023 was RM4.5606/USD.

The Group posted a profit before taxation of RM3.87 million in the current financial year and were derived from the following:

- (a) Profit before taxation of RM12.75 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 RM0.47 million from the Healthcare Division;
- (d) Loss before taxation of RM9.17 million from the Investment Division; and
- (e) Elimination of allowance for expected credit loss for cash advances within the Group of RM0.82 million.

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

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

**B. Summary and Commentary on the Statement of Financial Positions of the Group**

	<b>Unaudited</b>	<b>Audited</b>	<b>Changes</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>RM’000</b>	<b>%</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	
Non-current assets	41,191	40,285	906	2.2
Current assets	90,366	91,279	(913)	-1.0
Current liabilities	(30,637)	(44,584)	(13,947)	-31.3
Non-current liabilities	(12,712)	(12,770)	(58)	-0.5
Equity attributable to owners of the Company	(88,208)	(74,181)	14,027	18.9
Non-controlling interest	-	(29)	29	100.0
Total equity	(88,208)	(74,210)	13,998	18.9

*Figures in bracket denotes credit balances*

The increase of RM0.91 million or 2.2% in non-current assets were mainly due to the following:

- (a) Purchase of plant and equipment of RM4.55 million, right of use assets of RM0.02 million and intangibles of RM0.04 million;
- (b) Depreciation of property, plant and equipment of RM4.42 million and right of use assets of RM0.18 million respectively;
- (c) Non-current assets for disposed subsidiaries of RM0.36 million
- (d) Net increase in exchange differences of RM1.06 million from the conversion of a foreign subsidiary.

The decrease of RM0.91 million or 1.0% in current assets were mainly due to the following:

- (a) Decrease in trade and other receivables receivables of RM5.35 million from Moulded Power Supply Cord Sets Division;
- (b) Increase in inventories of RM14.49 million of the Moulded Power Supply Cord Sets Division;
- (c) Current assets for disposed subsidiaries of RM0.30; and
- (d) Decrease in cash and bank balances of RM9.96 million

The decrease of RM13.95 million or 31.3% in current liabilities were mainly due to the following:

- (a) Decrease in trade payables of RM2.99 million for the Moulded Power Supply Cord Sets Division;
- (b) Decrease in other payables and accruals for the Group of RM0.33 million;
- (c) Decrease in tax payable of RM1.11 million for a foreign subsidiary;
- (d) Current liabilities for disposed subsidiaries of RM0.2 million and
- (e) Decrease in short term and trade financing borrowings of RM9.54 million.

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

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

**B. Summary and Commentary on the Statement of Financial Positions of the Group (continued)**

The decrease in non-current liabilities of RM0.06 million or 0.5% were mainly due to the following:

- (a) Increase in retirement benefits obligation of RM0.93 million for a foreign subsidiary;
- (b) Decrease in long term borrowings of RM0.42 million; and
- (c) Decrease in deferred taxation liabilities of RM0.55 million.

The increase in “equity attributable to owners of the Company” of RM14.03 million or 18.9% were due to the following:

- (a) Increase in paid up share capital of RM9.93 million by way of issuance of 39,902,500 new HWGB shares pursuant to private placement of shares and after deducting RM0.07 million expenses directly related to the private placement; and
- (b) The total comprehensive income attributable to the owners of the Company of RM4.01 million for the year.

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 financial year.

The increase in “total equity” of RM14.00 million or 18.9% were due to similar reasons stated in the increase in equity attributable to owners of the Company and the decrease in NCI above.

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

	<b>Unaudited 01/01/2023 to 31/12/2023 RM’000</b>
Net cash used in operating activities	(7,383)
Net cash used in investing activities	(4,552)
Net cash used in financing activities	(792)
Exchange difference	2,772
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,955)</b>

The “net cash used in operating activities” for the current financial year ended 31 December 2023 of RM7.38 million were mainly due to the following:

- (a) Net cash from “operating profit before working capital changes” of RM10.52 million;
- (b) Increase in inventories of RM14.49 million;
- (c) Decrease in trade and other receivables of RM5.15 million;
- (d) Decrease in trade and other payables of RM3.76 million;
- (e) Payment of income tax of RM3.26 million;
- (f) Payment of retirement benefits of RM0.06 million; and
- (g) Net interest paid of RM1.48 million.

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

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

**C. Summary and Commentary on the Group’s Statement of Cash Flows (continued)**

The “net cash used in investing activities” of RM4.55 million were due to the following:

- (a) Purchase of plant and equipment of RM4.55 million, rights of use assets of RM0.02 million and intangible assets of RM0.04 million;
- (b) Proceeds from disposal of subsidiaries of RM0.16 million and net cash outflow from the disposal of subsidiaries of RM0.15 million; and
- (c) Proceeds from disposal of plant and equipment of RM0.04 million.

The “net cash used in financing activities” of RM0.79 million were due to the following:

- (a) Proceeds from issuance of 39,902,500 new HWGB shares of RM9.93 million pursuant to private placement of shares under Tranche 1 and Tranche 2;
- (b) Net repayment of trade financing facilities of RM11.55 million;
- (c) Drawdown of RM1.67 million term loan by the Moulded Power Supply Cord Sets Division to part finance the purchase of plant and machineries; and
- (d) Repayment of term loans of RM0.66 million and lease liabilities of RM0.19 million.

**D. Segmental Analysis**

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

Summary of revenue by regions	Individual Quarter	Cumulative Quarters
	3 months 01/10/2023 to 31/12/2023 USD’000	12 months 01/01/2023 to 31/12/2023 USD’000
<b>Sales to external parties</b>		
North America	9,489	49,783
Malaysia	-	137
The rest of Asia	799	5,948
	<b>10,288</b>	<b>55,868</b>

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

The sales to North America was USD49.78 million, Malaysia was USD0.14 million and to the rest of Asia was USD5.95 million. The average copper price purchased for the financial year was USD9,046 per metric tonne (“MT”).

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

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

**D. Segmental Analysis (continued)**

**I. Moulded Power Supply Cord Sets Division (continued)**

	<b>Individual Quarter</b> <b>3 Months</b> <b>01/10/2023</b> <b>to</b> <b>31/12/2023</b> <b>USD’000</b>	<b>Cumulative Quarters</b> <b>12 Months</b> <b>01/01/2023</b> <b>to</b> <b>31/12/2023</b> <b>USD’000</b>
<b>Summary of results</b>		
Revenue	10,288	55,868
Operating profit	88	3,022
Profit before interest and taxation	88	3,022
Profit/(Loss) before taxation	64	2,795
Profit/(Loss) after taxation	99	2,170
<b>Profit/(Loss) attributable to owner of the Company</b>	<b>99</b>	<b>2,170</b>

The Moulded Power Supply Cord Sets Division posted a profit before taxation of USD2.80 million for the financial year ended 31 December 2023.

**II. Healthcare Division**

	<b>Individual Quarter</b> <b>3 Months</b> <b>01/10/2023</b> <b>to</b> <b>31/12/2023</b> <b>RM’000</b>	<b>Cumulative Quarters</b> <b>12 months</b> <b>01/01/2023</b> <b>to</b> <b>31/12/2023</b> <b>RM’000</b>
<b>Summary of results</b>		
External revenue	33	85
Operating loss	(166)	(468)
Loss before interest and taxation	(166)	(468)
Loss before taxation	(166)	(468)
Loss after taxation	(166)	(468)
<b>Loss attributable to owner of the Company</b>	<b>(166)</b>	<b>(468)</b>

The Healthcare Division recorded a revenue of RM0.09 million and a loss before taxation of RM0.47 million for the financial year ended 31 December 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 (continued)**

**III. Travel Services Division**

	<b>Individual Quarter</b>	<b>Cumulative Quarters</b>
	<b>3 months</b>	<b>12 months</b>
	<b>01/10/2023</b>	<b>01/01/2023</b>
	<b>to</b>	<b>to</b>
<b>Summary of results</b>	<b>31/12/2023</b>	<b>31/12/2023</b>
	<b>RM’000</b>	<b>RM’000</b>
Revenue	-	247
Operating loss	-	(58)
Loss before interest and taxation	-	(58)
Loss before taxation	-	(58)
Loss after taxation	-	(58)
<b>Loss attributable to owner of the Company</b>	<b>-</b>	<b>(58)</b>

The Travel Services Division recorded a revenue of RM0.25 million and a loss before taxation of RM0.06 million for the period from 01 January 2023 to 27 February 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.

**IV. Investment Division**

Investment Division consists of the Company, investment holding subsidiaries and inactive subsidiaries. The Investment Division recorded a loss before taxation of RM9.17 million.

At Company level, the Company recorded a loss before taxation of RM8.50 million. Included in the loss before taxation of the Company were allowance for expected credit loss on amount due from subsidiaries of RM0.82 million, impairment loss on investment in subsidiaries of RM0.85 million and reversal of impairment loss on investment in subsidiaries of RM0.67 million.

In the opinion of the Directors, other than those disclosed above, the results for the current financial year ended 31 December 2023 have not been affected by any transactions or events of a material or unusual nature which have arisen from 31 December 2023 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 4<sup>th</sup> Quarter 2023 from 01 October 2023 to 31 December 2023 vs Individual 3<sup>rd</sup> Quarter from 01 July 2023 to 30 September 2023)*

The Group recorded a lower revenue of RM49.04 million (3Q 2023: RM106.87 million) a decrease of RM57.83 million or 54.1%. The lower revenue of USD10.29 million (3Q 2023: USD23.39 million) was due to the seasonality or cyclicity as stated in Part A Note 4 above.

The Group incurred a loss before taxation of RM2.84 million (3Q 2023: Profit before taxation of RM4.89 million). The loss before taxation were derived from to the following:

- (i) Lower profit before taxation of RM0.42 million (3Q 2023: RM7.10 million) posted by the Moulded Power Supply Cord Sets Division;
- (ii) Higher loss before taxation of RM0.17 million (3Q 2023: RM0.05 million) incurred by the Healthcare Division.
- (iii) Higher loss before taxation of RM3.90 million (3Q 2023: RM2.16 million) incurred by the Investment Division; and
- (iv) Elimination of allowance for expected credit loss for cash advances within the Group of RM0.82 million.

**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 world including Malaysia has recovered from the COVID-19 pandemic impact with the re-opening of all international borders and providing less stringent or no requirements to comply with 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.



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

**3. Commentary on Prospects (continued)**

The Group is expecting another challenging operating and financial performance for the financial year ending 31 December 2024.

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 ended 31 December 2023.

**5. Profit/(Loss) from operations**

Profit/(Loss) from operations is derived at:

	<b>Individual Quarter</b> <b>3 months</b> <b>01/10/2023</b> <b>to</b> <b>31/12/2023</b> <b>RM’000</b>	<b>Cumulative Quarter</b> <b>12 months</b> <b>01/01/2023</b> <b>to</b> <b>31/12/2023</b> <b>RM’000</b>
<b>After charging:</b>		
Amortisation of intangible assets	1	4
Retirement benefit obligations	355	802
Depreciation – Property, plant and equipment	745	4,419
Depreciation – Right of use assets	45	175
Expenses related to short term leases	23	112
Impairment loss on plant and equipment	-	-
Impairment loss on intangibles	-	-
Inventories written down	-	-
Inventories written-off	-	-
Plant and equipment written-off	-	-
Prepayment written-off	235	235
Realised loss on foreign exchange	(67)	12
Unrealised loss on foreign exchange	(181)	187
	<u>          </u>	<u>          </u>
<b>And crediting:</b>		
Gain on disposal of subsidiaries	-	36
Gain on disposal of plant and equipment	-	44
Income related to short term leases	-	-
Realised gain on foreign exchange	148	170
Unrealised gain on foreign exchange	(1,537)	334
	<u>          </u>	<u>          </u>

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

**6. Finance income**

	<b>Individual Quarter 3 months 01/10/2023 to 31/12/2023 RM’000</b>	<b>Cumulative Quarter 12 Months 01/01/2023 to 31/12/2023 RM’000</b>
<b>Interest income</b>		
- bank accounts	36	72
	<b>36</b>	<b>72</b>

**7. Finance costs**

	<b>Individual Quarter 3 Months 01/10/2023 to 31/12/2023 RM’000</b>	<b>Cumulative Quarter 12 months 01/01/2023 to 31/12/2023 RM’000</b>
<b>Interest expense</b>		
– trade finance	98	993
– term loans	88	304
– hire purchase leases	7	25
– other leases	1	4
- non-related party advances	-	225
	<b>194</b>	<b>1,551</b>

**8. Income tax expense**

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

	<b>Individual Quarter 3 months 01/10/2023 to 31/12/2023 RM’000</b>	<b>Cumulative Quarter 12 Months 01/01/2023 to 31/12/2023 RM’000</b>
<b>a. Expected income tax payable</b>		
<b>(i) Current income tax expense</b>		
- Malaysia	-	-
- Overseas	(280)	(3,260)
	(280)	(3,260)
<b>(ii) Over/(Under) provision in prior year</b>		
- Malaysia	-	-
- Overseas	-	-
	-	-

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

**8. Income tax expense (continued)**

	<b>Individual Quarter 3 months 01/10/2023 to 31/12/2023 RM’000</b>	<b>Cumulative Quarter 12 Months 01/01/2023 to 31/12/2023 RM’000</b>
<b>b. Deferred tax</b>		
<b>(i) Current year</b>		
- Malaysia	141	141
- Overseas	411	411
	552	552
<b>(ii) Over/(Under) provision in prior year</b>		
- Malaysia	-	-
- Overseas	-	-
	-	-
<b>Total</b>	<b>272</b>	<b>(2,708)</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 year ended 31 December 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 December 2023 is as follows:

	<b>Unaudited 31/12/2023 RM’000</b>	<b>Audited 31/12/2022 RM’000</b>
<b>Unquoted shares at cost</b>		
At beginning/end of year/period	1,127	1,127
	<b>Unaudited 31/12/2023 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)
	-	-

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

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

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

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

	<b>Unaudited 31/12/2023 RM'000</b>	<b>Audited 31/12/2022 RM'000</b>
<b>Assets</b>		
Non-current assets	6,818	9,052
Current assets	3,932	5,754
Total assets	<u>10,750</u>	<u>14,806</u>
<b>Liabilities</b>		
Non-current liabilities	9,249	7,219
Current liabilities	27,919	28,474
Total liabilities	<u>37,168</u>	<u>35,693</u>
<b>Net liabilities</b>	<u><b>(26,418)</b></u>	<u><b>(20,887)</b></u>

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

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

	<b>Unaudited 12 months 01/01/2023 to 31/12/2023 RM'000</b>	<b>Audited 12 months 01/01/2022 to 31/12/2022 RM'000</b>
Revenue	6,473	4,790
Loss before tax	(5,531)	(5,557)
Net loss/Total comprehensive loss	<u>(5,531)</u>	<u>(5,557)</u>

The Group's 49% associate, Dufry HWG Shopping Sdn Bhd, which operate a sole travel retail outlet in SkyAvenue Mall, Genting Highlands has ceased its operations with effective from 30 September 2023.

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

**11. Group Borrowings and Debt Securities**

	As at 31 December 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	-	2,801	-	205	-	3,006
Term Loan 2	-	-	-	968	-	968
Term Loan 3*	175	804	140	643	315	1,447
Trade financing*	-	-	700	3,213	700	3,213
	175	3,605	840	5,029	1,015	8,634
<b>Lease liabilities</b>						
Hire purchase leases	-	392	-	180	-	572
Other leases	-	12	-	6	-	18
	-	404	-	186	-	590
	<b>175</b>	<b>4,009</b>	<b>840</b>	<b>5,215</b>	<b>1,015</b>	<b>9,224</b>

\* USD1.0000 is equivalent to RM4.5900

	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 20 February 2024, 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 20 February 2024, 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 proceeds raised from the Tranche 1 and Tranche 2 of Private Placement of new ordinary shares at an issue price of RM0.2704 and RM0.2155 each, which was completed on 16 August 2023 and 20 October 2023 respectively are as follows:

<b>Details of utilisation</b>	<b>Proposed utilisation RM'000</b>	<b>Allocation of funds raised from Tranche 1 and 2 RM'000</b>	<b>Variation of proposed utilisation as announced on 26/02/2024 RM'000</b>	<b>Actual utilisation as at 20/02/2024 RM'000</b>	<b>Balance RM'000</b>	<b>Estimated timeframe for utilisation from listing of Placement Shares</b>
General working capital	6,260	1,866	2,000	(1,866)	2,000	Within 12 months
Repayment of existing financing facilities	864	864	-	(432)	432	Within 12 months
Repayment of interest-bearing advances from a non-related party	4,500	4,500	-	(4,500)	-	Within 3 months
Acquisition and/or investment in complementary businesses and/or assets	2,000	2,000	(2,000)	-	-	Within 12 months
Estimated expenses relating to the corporate proposals	770	770	-	(770)	-	Upon completion
	<b>14,394</b>	<b>10,000</b>	<b>-</b>	<b>(7,568)</b>	<b>2,432</b>	

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

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

On 26 February 2024, the Company had announced that a variation of RM2.00 million allocated for the “Acquisition and/or Investment in Complementary Businesses and/or Assets” to the “General Working Capital” of the Company which was stated in the Circular to Shareholders dated 21 June 2023 and approved by the shareholders at the Company’s Extraordinary General Meeting held on 13 July 2023 and completed on 12 December 2023.

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

**Basic**

	<b>Individual Quarter 3 months 01/10/2023 to 31/12/2023</b>	<b>Cumulative Quarters 12 months 01/01/2023 to 31/12/2023</b>
Profit/(loss) attributable to owners of the Company (RM'000)	(2,566)	1,192
Weighted average number of ordinary shares - Basic ('000)	178,169	178,169
<b>Basic (sen)</b>	<b><u>(1.44)</u></b>	<b><u>0.67</u></b>

**Diluted**

	<b>Individual Quarter 3 Months 01/10/2023 to 31/12/2023</b>	<b>Cumulative Quarters 12 Months 01/01/2023 to 31/12/2023</b>
Profit/(Loss) attributable to owners of the Company (RM'000)	(2,566)	1,192
Add: Notional interest savings due to repayment of bank borrowings (RM'000)	-	-
Adjusted profit attributable to owners of the Company (RM'000)	<u>(2,566)</u>	<u>1,192</u>
Weighted average number of ordinary shares – Basic ('000)	178,169	178,169
Assuming the conversion of ESOS ('000)	-	-
Weighted average number of ordinary shares – Diluted ('000)	<u>178,169</u>	<u>178,169</u>
<b>Diluted (sen)</b>	<b><u>-</u></b>	<b><u>-</u></b>



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

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

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 no ESOS of the Company is exercised as all the Tranches of 1, 2, 3, 4 and 5 are “out-of-the-money”. There is no adjustment made by adding notional interest savings to arrive at the profit attributable to equity holders of the Company as no repayment of bank borrowings is made due to no exercise of ESOS into new ordinary shares.

**By Order of the Board,**  
**Coral Hong Kim Heong**  
(MAICSA 7019696)  
*Company Secretary*

Date: 27 February 2024