



HO WAH GENTING BERHAD

(Company No: 199301018185 / 272923-H)

(Incorporated In Malaysia)

NOTES TO FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

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 31 December 2023.

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 2023 except for the adoption of the following standards which are applicable to its financial statements effective from 1 January 2024:

		Effective date
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:

		Effective date
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.

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 31 December 2023.

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.

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.

8. Dividends Paid

No dividend was paid in the current quarter under review.

PART A (continued)

9. The Status of Corporate Proposal(s)

Conditional Share Sale Agreement In Relation To The Proposed Acquisition of 275,000 Ordinary Shares Representing 55% Equity Interest In Advanced Apotheke Sdn Bhd (“AASB”)

On 6 March 2024, the Board of Directors of HWGB had announced that HWGB’s wholly-owned subsidiary, HWGB Capital Sdn. Bhd. had on the same date entered into Conditional Share Sale Agreement with Madam Leong Oi Heng (“Vendor”) for the proposed acquisition of 275,000 ordinary shares representing 55% equity interest in AASB for a total cash consideration of Ringgit Malaysia Two Million and Four Hundred Thousand (RM2,400,000) only.

10. Segmental Reporting

Analysis of the Group’s segmental revenue, results, assets and liabilities for business segments for the financial period ended 31 March 2024 are as follows:

10. Segmental Reporting (continued)

Current year's 3 months ended 31 March 2024	Investments RM'000	Moulded Power Supply Cords Sets RM'000	Healthcare RM'000	Total RM'000	Elimination RM'000	Group RM'000
Segmental revenue by strategic/functional division units						
External revenue	27	57,448	-	57,475	-	57,475
Inter-segment revenue	-	-	-	-	-	-
	27	57,448	-	57,475	-	57,475
Segmental revenue by regions						
Malaysia	27	53	-	80	-	80
The rest of Asia	-	4,015	-	4,015	-	4,015
North America	-	53,380	-	53,380	-	53,380
	27	57,448	-	57,475	-	57,475
Results						
Profit/(Loss) from operations	(1,751)	2,327	(10)	566	-	566
Finance income	26	2	-	28	-	28
Finance costs	(65)	(159)	-	(224)	-	(224)
Profit/(Loss) before income tax expense	(1,790)	2,170	(10)	370	-	370
Income tax expense	-	(580)	-	(580)	-	(580)
Net profit/(loss) for the period	(1,790)	1,590	(10)	(210)	-	(210)
Non-controlling interests	-	-	-	-	-	-
Net profit/(loss) attributable to owners of the Company	(1,790)	1,590	(10)	(210)	-	(210)
Assets and liabilities as at 31 March 2024						
Segment assets - Consolidated total assets	100,534	125,721	4,596	230,851	(92,238)	138,613
Segment liabilities - Consolidated total liabilities	12,575	55,576	13,835	81,986	(33,407)	48,579
Segmental non-current assets by regions as at 31 March 2024						
Malaysia	74,848	-	18	74,866	(65,118)	9,748
The rest of Asia	-	31,056	-	31,056	-	31,056
	74,848	31,056	18	105,922	(65,118)	40,804

10. Segmental Reporting (continued)

Immediate preceding year's 3 months ended 31 March 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
Segmental revenue by strategic/functional division units							
External revenue	35	40,378	29	247	40,689	-	40,689
Inter-segment revenue	-	-	-	-	-	-	-
	35	40,378	29	247	40,869	-	40,689
Segmental revenue by regions							
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
	35	40,378	29	247	40,689	-	40,689
Results							
Profit/(Loss) from operations	(1,729)	1,928	(187)	(58)	(46)	-	(46)
Finance income	7	3	-	-	10	-	10
Finance costs	(108)	(145)	-	-	(253)	-	(253)
Profit/(Loss) before income tax expense	(1,830)	1,786	(187)	(58)	(289)	-	(289)
Income tax expense	-	(439)	-	-	(439)	-	(439)
Net profit/(loss) for the period	(1,830)	1,347	(187)	(58)	(728)	-	(728)
Non-controlling interests	35	-	-	-	35	-	35
Net profit/(loss) attributable to owners of the Company	(1,795)	1,347	(187)	(58)	(693)	-	(693)
Assets and liabilities as at 31 December 2023							
Segment assets - Consolidated total assets	100,140	116,378	4,726	-	221,244	(89,687)	131,557
Segment liabilities - Consolidated total liabilities	13,851	50,849	13,548	-	78,248	(34,899)	43,349
Segmental non-current assets by regions as at 31 December 2023							
Malaysia	75,459	-	19	-	75,478	(65,478)	10,000
The rest of Asia	-	31,192	-	-	31,192	-	31,192
	75,459	31,192	19	-	106,670	(65,478)	41,192

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

There were no changes in the composition of the Group for the current quarter.

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

Summary and Commentary on the Statement of Comprehensive Income of the Group

	Individual Quarter (1st Quarter)		Changes		Cumulative Quarters (Year to-date)		Changes	
	Current Year’s Quarter 3 Months 01/01/2024 to 31/03/2024 RM’000	Preceding Year’s Corresponding Quarter 3 Months 01/01/2023 to 31/03/2023 RM’000	RM’000	%	Current Year’s Todate 3 Months 01/01/2024 to 31/03/2024 RM’000	Preceding Year’s Corresponding Period 3 Months 01/01/2023 to 31/03/2023 RM’000	RM’000	%
Revenue	57,475	40,689	16,786	41.3	57,475	40,689	16,786	41.3
Profit/(Loss) from operations	566	(46)	612	>1,000.0	566	(46)	612	>1,000.0
Profit/(Loss) before interest and taxation	566	(46)	612	>1,000.0	566	(46)	612	>1,000.0
Profit/(Loss) before taxation	370	(289)	659	228.0	370	(289)	659	228.0
Loss after taxation	(210)	(728)	518	71.2	(210)	(728)	518	71.2
Loss attributable to owners of the Company	(210)	(693)	483	69.7	(210)	(693)	483	69.7

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

1. Group’s Financial Performance Review (continued)

Summary and Commentary on the Statement of Comprehensive Income of the Group (continued)

The Group recorded a revenue of RM57.48 million (1Q 2023: RM40.69 million) for the financial period ended 31 March 2024. The Group’s revenue is mainly derived from the Moulded Power Supply Cord Sets Division in Indonesia which represented approximately 99.95% of the total revenue of the Group. The higher revenue was due to the higher demand from existing customers. The average exchange rate used for the financial period ended 31 March 2024 was RM4.7185/USD (1Q 2023: RM4.3907/USD).

The Group posted a profit before taxation of RM0.37 million (1Q 2023: Loss before taxation RM0.29 million) in the current financial period ended 31 March 2024 and were derived from the following:

- (a) Higher profit before taxation of RM2.17 million (1Q 2023: RM1.79 million) from Moulded Power Supply Cords Sets Division;
- (b) No loss before taxation was incurred (1Q 2023: RM0.06 million) from the Travel Services Division after the disposal of the division in the financial year ended 31 December 2023;
- (c) Lower loss before taxation of RM0.01 million (1Q 2023: RM0.19 million) from the Healthcare Division; and
- (d) Lower loss before taxation of RM1.79 million (1Q 2023: RM1.83 million) from the Investment Division.

Summary and Commentary on the Statement of Financial Positions of the Group

	Unaudited	Audited	Changes	
	31/03/2024	31/12/2023	RM’000	%
	RM’000	RM’000		
Non-current assets	40,804	41,192	(388)	-0.9
Current assets	97,809	90,365	7,444	8.2
Current liabilities	(35,880)	(30,637)	5,243	17.1
Non-current liabilities	(12,699)	(12,712)	(13)	-0.1
Equity attributable to owners of the Company	(90,034)	(88,208)	1,826	2.1
Non-controlling interest	-	-	-	-
Total equity	(90,034)	(88,208)	1,826	2.1

Figures in bracket denotes credit balances

The decrease of RM0.39 million or 0.9% in non-current assets were mainly from the following:

- (a) Purchase of plant and equipment of RM0.08 million;
- (b) Depreciation of property, plant and equipment of RM1.16 million and right of use assets of RM0.03 million respectively; and
- (c) Net increase in exchange differences of RM0.72 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 (continued)

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

The increase of RM7.44 million or 8.2% in current assets were mainly from the following:

- (a) Increase in trade and other receivables of RM12.07 million for Moulded Power Supply Cord Sets Division;
- (b) Decrease in inventories of RM6.93 million for the Moulded Power Supply Cord Sets Division; and
- (c) Increase in cash and bank balances of RM2.30 million

The increase of RM5.24 million or 17.1% in current liabilities were mainly from the following:

- (a) Decrease in trade payables of RM2.89 million for the Moulded Power Supply Cord Sets Division;
- (b) Increase in other payables and accruals for the Group of RM0.94 million;
- (c) Decrease in tax payable of RM0.59 million for a foreign subsidiary; and
- (e) Increase in short term and trade financing borrowings of RM7.78 million.

The decrease in non-current liabilities of RM0.01 million or 0.1% were mainly from the following:

- (a) Increase in retirement benefits obligation of RM0.23 million for a foreign subsidiary; and
- (b) Decrease in long term borrowings of RM0.21 million;

The increase in “equity attributable to owners of the Company” and “total equity” of RM1.83 million or 2.1% were from the total comprehensive income attributable to the owners of the Company of RM1.83 million for the period.

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

	Unaudited 01/01/2024 to 31/03/2024 RM’000	Unaudited 01/01/2023 to 31/03/2023 RM’000	Changes	
			RM	%
Net cash used in operating activities	(5,383)	(16,084)	10,701	66.5
Net cash used in investing activities	(77)	(623)	546	87.6
Net cash from financing activities	7,393	7,250	143	2.0
Exchange difference	366	423	(57)	-13.5
Net increase/(decrease) in cash and cash equivalents	2,299	(9,034)	11,333	125.4

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

1. Group’s Financial Performance Review (continued)

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

The “net cash used in operating activities” for the current financial period ended 31 March 2024 of RM5.38 million were mainly from the following:

- (a) Net cash from “operating profit before working capital changes” of RM1.56 million;
- (b) Decrease in inventories of RM8.84 million;
- (c) Increase in trade and other receivables of RM11.77 million;
- (d) Decrease in trade and other payables of RM3.26 million;
- (e) Payment of income tax of RM0.49 million;
- (f) Payment of retirement benefits of RM0.08 million; and
- (g) Net interest paid of RM0.20 million.

The “net cash used in investing activities” of RM0.77 million were from the purchase of plant and equipment.

The “net cash from financing activities” of RM7.39 million were from the following:

- (a) Net drawdown of trade financing facilities of RM7.72 million;
- (b) Repayment of term loans of RM0.27 million and lease liabilities of RM0.05 million.

2. Segmental Analysis

Moulded Power Supply Cord Sets Division

	Individual Quarters		Cumulative Quarters	
	3 Months 01/01/2024 to 31/03/2024 USD’000	3 Months 01/01/2023 to 31/03/2023 USD’000	3 Months 01/01/2024 to 31/03/2024 USD’000	3 Months 01/01/2023 to 31/03/2023 USD’000
Summary of revenue by regions				
Sales to external parties				
North America	11,313	8,194	11,313	8,194
Malaysia	11	123	11	123
The rest of Asia	851	879	851	879
	12,175	9,196	12,175	9,196

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

The higher sales in the current financial period ended 31 March 2024 is mainly due to higher demand from existing customers. The average copper price purchased for the current financial period was USD8,638 (1Q 2023: USD8,627) per metric tonne (“MT”).

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

2. Segmental Analysis (continued)

Moulded Power Supply Cord Sets Division (continued)

	Individual Quarters		Cumulative Quarters	
	3 Months 01/01/2024 to 31/03/2024 USD’000	3 Months 01/01/2023 to 31/03/2023 USD’000	3 Months 01/01/2024 to 31/03/2024 USD’000	3 Months 01/01/2023 to 31/03/2023 USD’000
Summary of results				
Revenue	12,175	9,196	12,175	9,196
Operating profit	493	439	493	439
Profit before interest and taxation	493	439	493	439
Profit before taxation	460	407	460	407
Profit after taxation	337	307	337	307
Profit attributable to owners of the Company	337	307	337	307

The Moulded Power Supply Cord Sets Division posted a profit before taxation of USD0.46 million (1Q 2023: USD0.41 million) for the financial period ended 31 March 2024.

Healthcare Division

	Individual Quarters		Cumulative Quarters	
	3 Months 01/01/2024 to 31/03/2024 RM’000	3 Months 01/01/2023 to 31/03/2023 RM’000	3 Months 01/01/2024 to 31/03/2024 RM’000	3 Months 01/01/2023 to 31/03/2023 RM’000
Summary of results				
Revenue	-	29	-	29
Operating loss	(10)	(187)	(10)	(187)
Loss before interest and taxation	(10)	(187)	(10)	(187)
Loss before taxation	(10)	(187)	(10)	(187)
Loss after taxation	(10)	(187)	(10)	(187)
Loss attributable to owner of the Company	(10)	(187)	(10)	(187)

The Healthcare Division has temporarily ceased operations. The division incurred a loss before taxation of RM0.01 million (1Q 2023: RM0.19 million) for the financial period ended 31 March 2024.

Investment Division

Investment Division consists of the Company, investment holding subsidiaries and inactive subsidiaries. The Investment Division recorded a loss before taxation of RM1.79 million (1Q 2023: RM1.83 million) for the financial period ended 31 March 2024.

At Company level, the Company recorded a loss before taxation of RM1.84 million (1Q 2023: RM1.79 million) for the financial period ended 31 March 2024.

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

2. Segmental Analysis (continued)

In the opinion of the Directors, other than those disclosed above, the results for the current financial period ended 31 March 2024 have not been affected by any transactions or events of a material or unusual nature which have arisen from 31 March 2024 to the date of issue of this quarterly report.

3. Comparison of Current Year’s Quarter Against Preceding Year’s Corresponding Quarter’s Result (Individual 1st Quarter 31/03/2024 vs Individual 1st Quarter 31/03/2023)

The higher revenue of RM57.48 million (1Q 31/03/2023: RM40.69 million) for the current quarter was mainly due to higher sales of USD12.18 million (1Q 31/03/2023: USD9.20 million) recorded from the Moulded Power Supply Cord Sets Division in Indonesia. The higher revenue was due to the higher demand from existing customers. The weakening of RM against the USD has also increased the Group’s revenue which is denominated in RM. The average exchange rate used for the current quarter was RM4.7185/USD (1Q 31/03/2023: RM4.3907/USD).

The Group posted a profit before taxation of RM0.37 million as compared to a loss before taxation of RM0.29 million in the immediate preceding year’s corresponding period. Included in the current quarter’s profit before taxation is a net foreign exchange gain of RM0.52 million (1Q 31/03/2023: Net foreign exchange loss of RM0.19 million).

4. Comparison of Current Quarter Against Preceding Quarter’s Results (Individual 1st Quarter 31/03/2024 vs Individual 4th Quarter 31/12/2023)

The Group recorded a higher revenue of RM57.48 million (4Q 31/12/2023: RM49.04 million) an increase of RM8.44 million or 17.2%. The higher revenue of USD12.18 million (4Q 31/12/2023: USD10.29 million) was due to higher demand from existing customers for the Moulded Power Supply Cords Sets Division and the weakening of RM against the USD as stated in Note 3 above.

The Group posted a profit before taxation of RM0.37 million (4Q 31/12/2023: Loss before taxation of RM2.84 million). The profit before taxation were derived from the following:

- (i) Higher profit before taxation of RM2.17 million (4Q 31/12/2023: RM0.42 million) posted by the Moulded Power Supply Cord Sets Division;
- (ii) Lower loss before taxation of RM0.01 million (4Q 31/12/2023: RM0.17 million) incurred by the Healthcare Division.
- (iii) Lower loss before taxation of RM1.79 million (4Q 31/12/2023: RM4.31 million) incurred by the Investment Division; and
- (iv) No group elimination in the current quarter under review. There was group elimination mainly on reversal net allowance for expected credit loss for cash advances within the Group of RM0.51 million and reversal of impairment loss in investment of subsidiaries of RM0.67 million in the immediate preceding quarter.

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

5. 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 and rising cost of materials and components particularly the sharp increase of copper price 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 economies, fears of recession in USA and further escalation of geopolitical tensions.

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.

6. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee for the financial year ending 31 December 2024.

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

7. Profit/(Loss) from operations

Profit/(Loss) from operations is derived at:

	Individual Quarters		Cumulative Quarters	
	3 Months 01/01/2024 to 31/03/2024 RM'000	3 Month 01/01/2023 to 31/03/2023 RM'000	3 Months 01/01/2024 to 31/03/2024 RM'000	3 Months 01/01/2023 to 31/03/2023 RM'000
After charging:				
Amortisation of intangible assets	1	1	1	1
Retirement benefit obligations	142	145	142	145
Depreciation – Property, plant and equipment	1,158	1,195	1,158	1,195
Depreciation – Right of use assets	34	41	34	41
Expenses related to short term leases	12	39	12	39
Loss on foreign exchange – Realised	45	193	45	193
Loss on foreign exchange - Unrealised	-	111	-	111
And crediting:				
Gain on disposal of subsidiaries	-	36	-	36
Gain on foreign exchange - Realised	225	1	225	1
Gain on foreign exchange - Unrealised	340	111	340	111

8. Finance income

	Individual Quarters		Cumulative Quarters	
	3 Months 01/01/2024 to 31/03/2024 RM'000	3 Months 01/01/2023 to 31/03/2023 RM'000	3 Months 01/01/2024 to 31/03/2024 RM'000	3 Months 01/01/2023 to 31/03/2023 RM'000
Interest income				
- bank accounts	28	10	28	10
	28	10	28	10

9. Finance costs

	Individual Quarters		Cumulative Quarters	
	3 Months 01/01/2024 to 31/03/2024 RM'000	3 Months 01/01/2023 to 31/03/2023 RM'000	3 Months 01/01/2024 to 31/03/2024 RM'000	3 Months 01/01/2023 to 31/03/2023 RM'000
Interest expense				
– trade finance	136	145	136	145
– term loans	81	63	81	63
– hire purchase leases	6	6	6	6
– other leases	1	1	1	1
- non-related party advances	-	38	-	38
	224	253	224	253

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

10. Income tax expense

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

	Individual Quarters		Cumulative Quarters	
	3 Months 01/01/2024 to 31/03/2024 RM'000	3 Months 01/01/2023 to 31/03/2023 RM'000	3 Months 01/01/2024 to 31/03/2024 RM'000	3 Months 01/01/2023 to 31/03/2023 RM'000
a. Expected income tax payable				
(i) Current income tax expense				
- Malaysia	-	-	-	-
- Overseas	(580)	(439)	(580)	(439)
	<u>(580)</u>	<u>(439)</u>	<u>(580)</u>	<u>(439)</u>
(ii) Over/(Under) provision in prior year				
- Malaysia	-	-	-	-
- Overseas	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
b. Deferred tax				
(i) Current year				
- Malaysia	-	-	-	-
- Overseas	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(ii) Over/(Under) provision in prior year				
- Malaysia	-	-	-	-
- Overseas	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>(580)</u>	<u>(439)</u>	<u>(580)</u>	<u>(439)</u>

11. 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 2024.

12. Investment in an associate

There was no purchase or disposal of equity stakes in an associate during the current quarter.

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

12. Investment in an associate (continued)

The investment in associate as at 31 March 2024 is as follows:

	Unaudited 31/03/2024 RM'000	Audited 31/12/2023 RM'000
Unquoted shares at cost		
At beginning/end of period/year	1,127	1,127
	Unaudited 31/03/2024 RM'000	Audited 31/12/2023 RM'000
Unquoted shares at cost	1,127	1,127
Share of post-acquisition loss	(1,127)	(1,127)
	-	-

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 financial position

	Unaudited 31/03/2024 RM'000	Unaudited 31/12/2023 RM'000
Assets		
Non-current assets	6,818	6,818
Current assets	3,932	3,932
Total assets	10,750	10,750
Liabilities		
Non-current liabilities	9,249	9,249
Current liabilities	27,919	27,919
Total liabilities	37,168	37,168
Net liabilities	(26,418)	(26,418)

(b) Summarised statement of comprehensive income

	Individual Quarters		Cumulative Quarters	
	Unaudited 3 Months 01/01/2024 to 31/03/2024 RM'000	Unaudited 3 Months 01/01/2023 to 31/03/2023 RM'000	Unaudited 3 Months 01/01/2024 to 31/03/2024 RM'000	Unaudited 3 Months 01/01/2023 to 31/03/2023 RM'000
Revenue	-	1,599	-	1,599
Loss before tax	-	(1,258)	-	(1,258)
Net loss/Total comprehensive loss	-	(1,258)	-	(1,258)

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

13. Investment in an associate (continued)

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.

14. Group Borrowings and Debt Securities

	As at 31 March 2024					
	Long term		Short term		Total borrowing	
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured borrowings						
Term Loan 1	-	2,737	-	205	-	2,942
Term Loan 2	-	-	-	921	-	921
Term Loan 3*	140	662	140	662	280	1,324
Trade financing*	-	-	2,335	11,023	2,335	11,023
	140	3,399	2,475	12,811	2,615	16,210
Lease liabilities						
Hire purchase leases	-	346	-	182	-	528
Other leases	-	22	-	8	-	30
	-	368	-	190	-	558
	140	3,767	2,475	13,001	2,615	16,768

* USD1.0000 is equivalent to RM4.7205

	As at 31 December 2023					
	Long term		Short term		Total borrowing	
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured borrowings						
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
Lease liabilities						
Hire purchase liabilities	-	392	-	180	-	572
Other lease liabilities	-	12	-	6	-	18
	-	404	-	186	-	590
	175	4,009	840	5,215	1,015	9,224

* USD1.0000 is equivalent to RM4.5900

15. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 23 May 2024, being the latest practicable date.

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

16. 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 31 December 2023.

17. Material Litigation

There is no material litigation for the Group as at 23 May 2024, being the latest practicable date.

18. 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:

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

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

Details of utilisation	Proposed utilisation RM'000	Allocation of funds raised from Tranche 1 and 2 RM'000	Variation of proposed utilisation as announced on 26/02/2024 RM'000	Actual utilisation as at 23/05/2024 RM'000	Balance RM'000	Estimated timeframe for utilisation from listing of Placement Shares
General working capital	6,260	1,866	2,000	(3,866)	-	Within 12 months
Repayment of existing financing facilities	864	864	-	(648)	216	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
	14,394	10,000	-	(9,784)	216	

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.

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

19. Loss Per Share

Basic

	Individual Quarter		Cumulative Quarters	
	3 Months 01/01/2024 to 31/03/2024	3 Months 01/01/2023 to 31/03/2023	3 Months 01/01/2024 to 31/03/2024	3 Months 01/01/2023 to 31/03/2023
Loss attributable to owners of the Company (RM'000)	(210)	(693)	(210)	(693)
Weighted average number of ordinary shares - Basic (^000)	205,547	662,578	205,547	662,578
Basic (sen)	<u>(0.10)</u>	<u>(0.10)</u>	<u>(0.10)</u>	<u>(0.10)</u>

Diluted

The diluted loss per share was not presented in the financial statements as there is an anti-dilutive effect on the loss per share.

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

Date: 30 May 2024