

HO WAH GENTING BERHAD ("HWGB" OR "THE COMPANY")

VARIATION OF THE UTILISATION OF PROCEEDS FROM THE COMPANY'S PRIVATE PLACEMENT EXERCISE WHICH WAS COMPLETED ON 29 MARCH 2018 ("VARIATION")

Reference is made to the Company's announcements dated 29 March 2018, 16 March 2018, 23 January 2018, 26 December 2017, 21 November 2017 and 14 November 2017 in relation to the announcements on Private Placement and subsequent completion of the Private Placement on 29 March 2018.

The Board wishes to announce the variation of the utilisation of proceeds arising from the Private Placement.

Pursuant to the Private Placement exercise, the Company issued a total of 74,910,400 Placement Shares at an issue price of RM0.18 each, a total of RM13,483,872 was raised. Of the total proceeds raised, RM1.3 million was earmarked for financing of tin mining tailings processing and drilling works of HWG Tin Mining Sdn Bhd ("HWGT"). As at the date of this announcement, RM0.4 million out of the RM1.3 million earmarked for tin mining remain unutilised.

The Company has resolved to vary the aforementioned balance of RM0.4 million out of the RM1.3 million to be utilised for purchase of copper rods for the Group's manufacturing of moulded power supply cord sets division. The rationale for the Variation is due to HWGT having ceased to be a subsidiary of the Group on 6 December 2018 following the completion of the disposal of HWGT which was announced on 6 December 2018.

Premised on the above, the proceeds raised to be utilised, and its varied utilisation is set out in the following table:

	Original utilisation of proceeds RM'000	Actual utilisation of proceeds RM'000	Balance Unutilised RM'000	Varied utilisation of proceeds RM'000	Expected time frame for utilisation of proceeds from the listing of the Placement Shares
Shareholder's equity and shareholder's loan into joint venture company; Dufry HWG Shopping Sdn Bhd	9,000	7,030	1,970	-	Within 12 months
Working capital:					
i. for the Group's manufacturing of moulded power supply cord sets division					
a) Purchase of copper rods	2,078	2,078	-	400	Within 12 months
b) Purchase of polyvinyl chloride ("PVC") resins and other materials	486	486	-	-	Within 12 months
ii. for the Group's tin mining division					
a) Tin mining tailings processing	1,000	900	100	(100)	Within 12 months
b) Tin mining drilling works	300	-	300	(300)	Within 12 months
Estimated expenses in relation to the Proposed Share Consolidation, Proposed Diversification and Proposed Private Placement	620	620	-	-	Within 1 month
Total proceeds raised	13,484	11,114	2,370	-	

This announcement is dated 11 December 2018.