THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold or transferred all your ordinary shares in Ho Wah Genting Berhad (272923-H) ("HWGB" or "Company"), you should at once hand this Abridged Prospectus together with the accompanying Notice of Provisional Allotment ("NPA") and Rights Subscription Form ("RSF") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants (as defined herein), which is the subject of this Abridged Prospectus, should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor.

This Abridged Prospectus, together with the NPA and RSF are only despatched to our shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5.00 p.m. on 23 February 2016. This Abridged Prospectus together with the NPA and RSF, are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed to be made or offered for purchase or subscription in any countries or jurisdictions other than Malaysia to persons who are and may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. No action has been or will be taken to ensure that the Rights Issue with Warrants and the Abridged Prospectus together with the NPA and RSF comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of the Entitled Shareholders (as defined herein) and their renouncee(s)/transferee(s) (if applicable) who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia to consult their legal or other professional advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue with Warrants would result in the contravention of any laws of such countries or jurisdictions. Neither we, M&A Securities Sdn Bhd (15017-H) ("M&A Securities") nor our other experts shall accept any responsibility or liability in the event that any acceptance and/or renunciation made by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are residents.

A copy of this Abridged Prospectus has been registered with the Securities Commission Malaysia ("SC"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at the Extraordinary General Meeting ("EGM") held on 12 November 2015. The approval-in-principle has also been obtained from Bursa Malaysia Securities Berhad (635998-W)("Bursa Securities") vide its letter dated 29 September 2015 for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares (as defined herein), Warrants (as defined herein), Adjustment Warrants 2011/2016 (as defined herein) and new HWGB Shares (as defined herein) to be issued upon exercise of the Warrants, Adjustment Warrants 2011/2016 and Adjustment Existing ESOS (as defined herein) options on the Main Market of Bursa Securities. The Warrants will be admitted to the Official List of Bursa Securities and the listing of and quotation for all the said new securities will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd (165570-W) that all the Central Depository System accounts of the successful Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). Admission of the Warrants to the Official List of Bursa Securities and the listing of all the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

All the documentation relating to this Rights Issue with Warrants including this Abridged Prospectus, together with the NPA and RSF, have been seen and approved by our Board of Directors and they collectively and individually accept full responsibility for the accuracy of the information given, and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in these documents false or misleading.

M&A Securities, being our Adviser for this Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.

HWGB
豪 華 雲 頂 集 團

HO WAH GENTING BERHAD
(Company No. 272923-H)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 617,598,349 NEW ORDINARY SHARES OF RM0.05 EACH IN HWGB ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.05 EACH IN HWGB TOGETHER WITH UP TO 494,078,679 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF FOUR (4) WARRANTS FOR EVERY FIVE (5) RIGHTS SHARES SUBSCRIBED AT 5.00 P.M. ON 23 FEBRUARY 2016 AT AN ISSUE PRICE OF RM0.08 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

Adviser

M&A

M&A SECURITIES SDN BHD (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	:	Tuesday, 23 February 2016 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Tuesday, 1 March 2016 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Friday, 4 March 2016 at 4.00 p.m.
Last date and time for acceptance and payment	:	Wednesday, 9 March 2016 at 5.00 p.m.*
Last date and time for excess application and payment	:	Wednesday, 9 March 2016 at 5.00 p.m.*

* or such later date and time as our Directors may determine and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

This Abridged Prospectus is dated 23 February 2016

Company No. 272923-H

BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES, THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, WARRANTS AND ADJUSTMENT WARRANTS 2011/2016 AND THE NEW HWGB SHARES TO BE ISSUED ARISING FROM THE EXERCISE OF THE WARRANTS, ADJUSTMENT WARRANTS 2011/2016 AND ADJUSTMENT EXISTING ESOS OPTIONS. THE APPROVAL FROM BURSA SECURITIES SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SECURITIES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DELIVERY OF THIS ABRIDGED PROSPECTUS SHALL NOT UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF OUR GROUP SINCE THE DATES HEREOF. WE AND OUR ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS ABRIDGED PROSPECTUS. THIS ABRIDGED PROSPECTUS HAS BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA.

DEFINITIONS

Except where the context otherwise requires, the following definitions and abbreviations shall apply throughout this Abridged Prospectus, NPA and RSF:-

"Abridged Prospectus"	:	This Abridged Prospectus dated 23 February 2016 issued by us
"Act"	:	The Companies Act, 1965 as amended from time to time and any re-enactment thereof
"Adjustment Existing ESOS"	:	Additional new Existing ESOS options to be issued pursuant to the adjustments in accordance with the provisions of the by-laws dated 10 February 2010 as a result of the Rights Issue with Warrants, if any
"Adjustment Warrants 2011/2016"	:	Additional new Warrants 2011/2016 to be issued pursuant to the adjustments in accordance with the provisions of the deed poll dated 4 August 2011 as a result of the Rights Issue with Warrants, if any
"Amendments"	:	Amendments to the Memorandum and Articles of Association of HWGB to facilitate the Par Value Reduction
"Board"	:	Board of Directors of HWGB
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	Central Depository System
"CDS Account(s)"	:	A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository for the recording of deposits or withdrawal of securities and dealings in such securities by the depositor
"CMSA"	:	Capital Markets and Services Act, 2007
"Corporate Exercises"	:	The Par Value Reduction, Rights Issue with Warrants, Amendments, termination of Existing ESOS and establishment of a New ESOS
"Daewoo"	:	Daewoo International Corporation
"Deed Poll 2016"	:	The deed poll dated 28 January 2016 constituting the Warrants
"EGM"	:	Extraordinary general meeting
"Entitled Shareholders"	:	Our shareholders whose names appear on our Record of Depositors on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on 23 February 2016, being the time and date on which the Entitled Shareholders must be registered in our Record of Depositors with Bursa Depository in order to be entitled to participate in the Rights Issue with Warrants
"EPS"	:	Earnings per share
"Exercise Price"	:	The price of RM0.08 at which one (1) Warrant is exercisable into one (1) HWGB Share, subject to such adjustments as may be allowed under the Deed Poll 2016
"Existing ESOS"	:	The existing employees' share option scheme of our Company which commenced on 10 February 2010 and will expire on 9 February 2020
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended/ending, as the case may be
"HKD"	:	Hong Kong Dollar
"HWGB" or "Company"	:	Ho Wah Genting Berhad (272923-H)
"HWGB Group" or "Group"	:	HWGB and its subsidiaries, collectively
"HWGB Share(s)" or "Share(s)"	:	Ordinary share(s) of RM0.05 each in HWGB

DEFINITIONS (CONT'D)

"Issue Price"	:	The issue price of RM0.08 per Rights Share to be issued pursuant to the Rights Issue with Warrants
"Kintron"	:	Kintron Holding Sdn Bhd (475995-U)
"LAT"	:	Loss after taxation
"LBT"	:	Loss before taxation
"LED"	:	Light emitting diode
"LPD"	:	26 January 2016, being the latest practicable date prior to the issuance of this Abridged Prospectus
"LPS"	:	Loss per share
"Market Day(s)"	:	A day on which Bursa Securities is open for trading in securities
"M&A Securities"	:	M&A Securities Sdn Bhd (15017-H)
"Main Market LR"	:	Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
"Maximum Scenario"	:	Assuming: • all 11,848,032 outstanding Warrants 2011/2016 and 4,605,273 Existing ESOS options are exercised into new HWGB Shares prior to the Entitlement Date; and • all the Entitled Shareholders subscribe in full for their entitlements pursuant to the Rights Issue with Warrants
"Minimum Scenario"	:	Assuming: • none of the 11,848,032 outstanding Warrants 2011/2016 and 4,605,273 Existing ESOS options are exercised into new HWGB Shares prior to the Entitlement Date; • the Existing ESOS options are terminated prior to the Entitlement Date; • none of the Entitled Shareholders subscribe for their entitlements and only Kintron subscribes for the Rights Shares with Warrants pursuant to its Undertaking; and • none of the Adjustment Warrants 2011/2016 are exercised into new HWGB Shares
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment in relation to the Rights Issue with Warrants
"New ESOS"	:	Establishment of a new employees' share option scheme of our Company of up to 10% of the issued and paid-up share capital for eligible employees including Executive Directors of our Group (excluding subsidiaries which are dormant) who meet the criteria of eligibility for participation in the new employees' share option scheme as set out in the by-laws constituting the new employees' share option scheme
"OEM"	:	Original Equipment Manufacturer
"Par Value Reduction"	:	Share capital reduction of HWGB via the cancellation of RM0.15 of the par value of each fully issued and paid-up ordinary share of RM0.20 to RM0.05 each pursuant to Section 64 of the Act which took effect on 7 January 2016
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PVC"	:	Polyvinyl chloride
"PTHWG"	:	PT Ho Wah Genting, our wholly-owned subsidiary

DEFINITIONS (CONT'D)

"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository, as amended from time to time
"Rights Issue with Warrants"	:	Renounceable rights issue of up to 617,598,349 Rights Shares on the basis of one (1) Rights Share for every one (1) HWGB Share held together with up to 494,078,679 Warrants on the basis of four (4) Warrants for every five (5) Rights Shares subscribed
"Rights Shares"	:	Up to 617,598,349 new HWGB Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form in relation to the Rights Issue with Warrants
"Undertaking"	:	Irrevocable written undertaking dated 31 July 2015 by Kintron to subscribe in full for its entitlement and such number of additional Rights Shares with Warrants via excess application and/or to procure the subscription for such number of Rights Shares with Warrants, amounting to an aggregate of RM16,000,000
"US"	:	United States of America
"USD"	:	United States Dollar
"Warrants"	:	Up to 494,078,679 free detachable warrants to be issued pursuant to the Rights Issue with Warrants
"Warrants 2011/2016"		Warrants constituted by the deed poll dated 4 August 2011 which were issued on 23 September 2011 and expiring on 22 September 2016
"5D-VWAP"	:	5-day volume weighted average market price

References to "we", "us", "our" and "ourselves" are to our Company and, save where the context otherwise requires, our subsidiaries. All references to "you" in this Abridged Prospectus are to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Age	Address	Nationality	Occupation
Datuk Teo Tiew *(Group Executive Chairman)*	56	No. 141, Jalan BU 2/2 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Dato' Lim Ooi Hong *(Managing Director/Chief Executive Officer)*	40	No. 12, Jalan BU 6/9 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Lim Wee Kiat *(Executive Director)*	36	No. 22A, Jalan PJU 3/16B Damansara Indah Resort Homes 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Dato' Mohd Shahar bin Abdul Hamid *(Senior Independent Non-Executive Director)*	80	Lot 654, Batu 15½ Jalan Dusun Tua 43100 Hulu Langat Selangor Darul Ehsan	Malaysian	Company Director
Tee Lay Peng *(Independent Non-Executive Director)*	55	No. 21, Jalan BU 4/7 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director and Business Adviser
Wong Tuck Jeong *(Independent Non-Executive Director)*	56	2-5G, Faberia Taman Desa Jalan Kelang Lama 52100 Kuala Lumpur	Malaysian	Company Director and Advocate & Solicitor
Elaine Tan Ai Lin *(Independent Non-Executive Director)*	39	Unit 25-7 Duta Ria Condominium No. 30, Jalan Dutamas Raya Off Jalan Segambut 51200 Kuala Lumpur	Malaysian	Company Director and Advocate & Solicitor

AUDIT COMMITTEE

Name	Designation	Directorship
Tee Lay Peng	Chairman	Independent Non-Executive Director
Dato' Mohd Shahar bin Abdul Hamid	Member	Senior Independent Non-Executive Director
Wong Tuck Jeong	Member	Independent Non-Executive Director
Elaine Tan Ai Lin	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (CONT'D)

COMPANY SECRETARY	:	Coral Hong Kim Heong (MAICSA 7019696) c/o Wisma Ho Wah Genting No. 35, Jalan Maharajalela 50150 Kuala Lumpur Tel: 03-2143 8811
REGISTERED OFFICE	:	Wisma Ho Wah Genting No. 35, Jalan Maharajalela 50150 Kuala Lumpur Tel: 03-2143 8811 Fax: 03-2141 7477
HEAD/MANAGEMENT OFFICE	:	Wisma Ho Wah Genting No. 35, Jalan Maharajalela 50150 Kuala Lumpur Tel: 03-2143 8811 Fax: 03-2141 7477 Email: hwgbcorp@hwgenting.com.my Website: http://www.hwgenting.com.my
PRINCIPAL BANKERS	:	RHB Bank Berhad Lot LGF 019-021 Lower Ground Floor Kenanga Wholesale City 28, Jalan Gelugor, Off Jalan Kenanga 55200 Kuala Lumpur CIMB Bank Berhad No. 11, Jalan Raja Laut 50350 Kuala Lumpur PT. Bank Negara Indonesia (Persero) Tbk Kantor Pusat Jl. Jendral Sudirman Kav. 1 Jakarta 10220 Indonesia The Hong Kong and Shanghai Banking Corporation Limited World Trade Centre Jl Jendral Sudirman Kav. 29-31 Jakarta 12920 Indonesia
AUDITORS AND REPORTING ACCOUNTANTS	:	Russell Bedford LC & Company (AF 1237) Chartered Accountants 10th Floor, Bangunan Yee Seng 15, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 03-2031 8223

CORPORATE DIRECTORY (CONT'D)

SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd (378993-D) Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel: 03-7849 0777
SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS	:	Tan, Goh & Associates Unit 821, 8th Floor Block A, Lift Lobby 6 Damansara Intan 1, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel: 03-7727 7228
ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS	:	M&A Securities Sdn Bhd (15017-H) No. 45 & 47-11, The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: 03-2284 2911
INDEPENDENT MARKET RESEARCHER FOR THE RIGHTS ISSUE WITH WARRANTS	:	Protégé Associates Sdn Bhd (675767-H) Suite C-06-06, Plaza Mont' Kiara 2 Jalan Kiara Mont' Kiara 50480 Kuala Lumpur Tel: 03-6201 9301
STOCK EXCHANGE LISTING		Main Market of Bursa Securities

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Company No. 272923-H

HO WAH GENTING BERHAD

(Company No. 272923-H)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Wisma Ho Wah Genting
No. 35, Jalan Maharajalela
50150 Kuala Lumpur

23 February 2016

Directors:

Datuk Teo Tiew *(Group Executive Chairman)*
Dato' Lim Ooi Hong *(Managing Director/Chief Executive Officer)*
Lim Wee Kiat *(Executive Director)*
Dato' Mohd Shahar bin Abdul Hamid *(Senior Independent Non-Executive Director)*
Tee Lay Peng *(Independent Non-Executive Director)*
Wong Tuck Jeong *(Independent Non-Executive Director)*
Elaine Tan Ai Lin *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 617,598,349 RIGHTS SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) HWGB SHARE HELD TOGETHER WITH UP TO 494,078,679 WARRANTS ON THE BASIS OF FOUR (4) WARRANTS FOR EVERY FIVE (5) RIGHTS SHARES SUBSCRIBED AT 5.00 P.M. ON 23 FEBRUARY 2016 AT AN ISSUE PRICE OF RM0.08 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

1. INTRODUCTION

The shareholders of HWGB had, at an EGM held on 12 November 2015, approved the Corporate Exercises. A certified extract of the resolutions in connection with the Rights Issue with Warrants which were passed at the said EGM is set out in Appendix I of this Abridged Prospectus.

Bursa Securities had vide its letter dated 29 September 2015 approved in-principle the following:-

(i) Admission to the Official List and the listing of and quotation for up to 494,078,679 Warrants to be issued pursuant to the Rights Issue with Warrants;

(ii) Additional listing and quotation of new HWGB Shares arising from the following:

(a) up to 617,598,349 Rights Shares to be issued pursuant to the Rights Issue with Warrants;

(b) up to 494,078,679 HWGB Shares to be issued pursuant to exercise of the Warrants;

(c) up to 2,980,792 additional HWGB Shares to be issued arising from the exercise of the Adjustment Warrants 2011/2016 and Adjustment Existing ESOS options; and

(d) such number of new HWGB Shares to be issued, representing up to 10% of the issued and paid-up share capital of HWGB arising from the exercise of options under the New ESOS scheme;

(iii) Additional listing and quotation for up to 2,146,470 Adjustment Warrants 2011/2016 to be issued pursuant to the adjustment made in accordance with the provisions of the deed poll dated 4 August 2011.

The abovesaid Bursa Securities' approval-in-principle is subject to the following conditions:-

	Conditions	**Status of Compliance**
(i)	HWGB and M&A Securities must fully comply with the relevant provisions under the Main Market LR pertaining to the implementation of the Rights Issue with Warrants and the New ESOS;	To be complied
(ii)	HWGB and M&A Securities to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied
(iii)	HWGB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed;	To be complied
(iv)	M&A Securities is required to submit a confirmation to Bursa Securities of full compliance of the New ESOS pursuant to Paragraph 6.43(1) of the Main Market LR and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the New ESOS;	To be complied
(v)	HWGB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants and New ESOS as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(vi)	To incorporate the comments made in the draft circular to shareholders provided by Bursa Securities.	Complied

On 7 January 2016, M&A Securities, on our behalf, announced that the sealed order of the High Court of Malaya confirming the reduction in our par value from RM0.20 to RM0.05 had been lodged with the Companies Commission of Malaysia, upon which, the said reduction in par value had been effected on the same date.

On 22 January 2016, M&A Securities, on our behalf, announced that the issue price for the Rights Shares had been fixed at RM0.08 per Rights Share, and the exercise price of the Warrants had been fixed at RM0.08 per Warrant.

Subsequently, on 5 February 2016, M&A Securities, on our behalf, announced the Entitlement Date and the other relevant dates pertaining to the Rights Issue with Warrants.

The official listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited with the Rights Shares with Warrants allotted to them and notices of allotment have been despatched to them.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by M&A Securities or us.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Particulars

In accordance with the terms of the Rights Issue with Warrants as approved by the relevant authorities, our shareholders and subject to the terms of this Abridged Prospectus, RSF and NPA, the Rights Issue with Warrants entails a renounceable rights issue of up to 617,598,349 Rights Shares on the basis of one (1) Rights Share for every one (1) HWGB Share held together with up to 494,078,679 Warrants on the basis of four (4) Warrants for every five (5) Rights Shares subscribed at an issue price of RM0.08 per Rights Share.

As at the LPD, our Company has 11,848,032 outstanding Warrants 2011/2016 and 4,605,273 Existing ESOS options vested. Accordingly, up to 617,598,349 Rights Shares together with up to 494,078,679 Warrants will be issued pursuant to the Rights Issue with Warrants, assuming all outstanding 11,848,032 Warrants 2011/2016 and 4,605,273 Existing ESOS options are exercised into new HWGB Shares prior to the Entitlement Date and all Entitled Shareholders subscribe in full for their entitlements under the Rights Issue with Warrants.

The Rights Shares together with the Warrants will be offered to the Entitled Shareholders. The Warrants shall only be issued free to each Entitled Shareholder and/or their renouncee(s)/transferee(s) (if applicable) who subscribes for the Rights Shares pursuant to the Rights Issue with Warrants.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue with Warrants. However, if the Entitled Shareholder decides to accept only part of his Rights Shares entitlement, he shall be entitled to the Warrants in proportion to the Rights Shares for which he has accepted.

The Rights Shares which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). It is the intention of our Board to allocate the excess Rights Shares with Warrants in a fair and equitable manner and on such basis as it may deem fit or expedient or in the best interest of our Company to be determined by our Board, in a manner as disclosed under Section 3.8 herein.

Any dealing in the Rights Shares and Warrants, which are prescribed securities under the CDS, will be subject to the provisions of the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998, the Rules of Bursa Depository and any other relevant legislation. Accordingly, upon allotment and issuance by our Company, the Rights Shares with Warrants will be credited directly into the respective CDS Accounts of the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who have successfully subscribed for such Rights Shares and Warrants. No physical certificates will be issued but notices of allotment will be despatched to the successful applicants.

You will find enclosed in this Abridged Prospectus, an NPA notifying you of the crediting of such securities into your CDS Account and an RSF to enable you to subscribe for the Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you choose to do so.

The notice of allotment will be despatched to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) within eight (8) Market Days from the last date of acceptance and payment for the Rights Shares with Warrants. The Rights Shares and Warrants will then be quoted on the Main Market of Bursa Securities within two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis of determining the Issue Price and Exercise Price

(a) Rights Shares

Our Board had fixed the issue price of the Rights Shares at RM0.08 per Rights Share after taking into consideration the following:

(i) the 5D-VWAP of HWGB Shares up to and inclusive of 21 January 2016 of RM0.0967, being the market day immediately preceding the price-fixing date for the Rights Shares on 22 January 2016;

(ii) the new par value of HWGB Shares of RM0.05 each after the Par Value Reduction; and

(iii) the proceeds to be raised as set out in Section 5 of this Abridged Prospectus.

The Issue Price represents:

(a) a discount of approximately 17.27% from the 5D-VWAP of HWGB Shares up to and inclusive of 21 January 2016 of RM0.0967 per Share, being the market day immediately preceding the price-fixing date on 22 January 2016; and

(b) a discount of approximately 9.50% to the theoretical ex-rights price of HWGB Shares of RM0.0884 based on the 5D-VWAP up to and inclusive of 21 January 2016 of RM0.0967 per Share.

(b) Warrants

Our Board had fixed the exercise price for the Warrants at RM0.08 per Warrant after taking into consideration the following:

(i) the theoretical ex-rights price of HWGB Shares of RM0.0882 based on the 5D-VWAP of HWGB Shares up to and inclusive of 21 January 2016 of RM0.0967; and

(ii) the new par value of HWGB Shares of RM0.05 each after the Par Value Reduction.

The Exercise Price represents:

(a) a discount of approximately 17.27% from the 5D-VWAP of HWGB Shares up to and inclusive of 21 January 2016 of RM0.0967 per Share, being the market day immediately preceding the price-fixing date on 22 January 2016; and

(b) a discount of approximately 9.50% to the theoretical ex-rights price of HWGB Shares of RM0.0884 based on the 5D-VWAP up to and inclusive of 21 January 2016 of RM0.0967 per Share.

2.3 Entitlements to the Rights Shares with Warrants

The Rights Shares with Warrants will be provisionally allotted to Entitled Shareholders and/or their renouncee(s)/transferee(s). In determining shareholders' entitlements under the Rights Issue with Warrants, fractional Rights Shares arising from the Rights Issue with Warrants if any, will be disregarded and dealt with in a fair and equitable manner and on such terms and conditions as our Board shall in its discretion deems fit or expedient, in order to minimise the incidence of odd lots as well as in the best interest of our Company.

For the avoidance of doubt, the Warrants attached to the Rights Shares are without any cost to the Entitled Shareholders and/or renouncee(s)/transferee(s) and will be issued only to Entitled Shareholders and/or renouncee(s)/transferee(s) who subscribed for the Rights Shares. The Rights Shares and the Warrants are not separately renounceable. The Warrants shall be immediately detached from the Rights Shares upon allotment and shall be separately traded on Bursa Securities.

2.4 Ranking of the Rights Shares and new HWGB Shares to be issued pursuant to the exercise of the Warrants

The Rights Shares shall, upon allotment and issue, rank pari passu in all respects with the then existing HWGB Shares in issue, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to our Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares.

The new HWGB Shares to be issued pursuant to exercise of the Warrants, shall upon allotment and issue, rank pari passu in all respects with the then existing HWGB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or distributions which may be declared, made or paid, the entitlement date of which is prior to the date of the allotment of the said new HWGB Shares.

2.5 Salient terms of the Warrants

Please refer to Appendix II of this Abridged Prospectus for the salient terms of the Warrants.

2.6 Undertaking by Shareholder

The Rights Issue with Warrants will be implemented on the basis that there will be a minimum level of subscription. The minimum subscription level has been determined by our Board after taking into consideration factors which include amongst others, the funding requirements and the indicative commitment from our major shareholder that can be raised pursuant to its irrevocable written undertaking for the Rights Issue with Warrants. Our Board intends to raise minimum proceeds of RM16,000,000 and the intended amount is for the immediate funding requirements of our Group and the early settlement of a trade creditor. Based on the minimum proceeds, at an issue price of RM0.08 per Rights Share, 200,000,000 Rights Shares will be issued together with 160,000,000 Warrants.

To meet the minimum subscription level, our Company has obtained an irrevocable written undertaking from Kintron, our major shareholder, to subscribe in full for its entitlement and such number of additional Rights Shares with Warrants via excess application and/or to procure the subscription for such number of Rights Shares with Warrants, amounting to an aggregate of RM16,000,000.

	Shareholding as at LPD		Undertaking to subscribe for the Rights entitlements(2)			Undertaking to subscribe for excess Rights Shares			Total to be subscribed pursuant to the Undertaking		
	No. of shares ('000)	%(1)	No. of Shares ('000)	No. of Warrants ('000)	%(3)	No. of Shares ('000)	No. of Warrants ('000)	%(3)	No. of Shares ('000)	No. of Warrants ('000)	%(3)
Kintron	50,843	8.46	50,843	40,674	8.23	149,157	119,326	24.15	200,000	160,000	32.38

Notes:

(1) Computed based on 601,145,044 HWGB Shares.
(2) Based on the issue price of RM0.08 per Rights Share.
(3) The percentages of the Rights Shares are computed based on 617,598,349 Rights Shares to be issued pursuant to the Rights Issue with Warrants.

Pursuant to the Undertaking, Kintron has confirmed that it has sufficient financial resources to subscribe for its undertaking and such confirmation has been verified by M&A Securities.

In view of the Undertaking and minimum subscription level, underwriting arrangement will not be required for the Rights Issue with Warrants.

Our Company confirms that the Undertaking will not give rise to any consequences relating to a mandatory offer obligation under the Malaysian Code on Take-overs and Mergers, 2010 ("Code") after the implementation of the Rights Issue with Warrants. However, should Kintron exercise its Warrants such that its resulting shareholding in HWGB increases above 33%, it is obliged under Part III of the Code to undertake a mandatory offer for all the remaining HWGB Shares not already held by it after the exercise of such number of Warrants. In such an event, Kintron will seek the relevant exemption under the Code should it intends not to undertake such mandatory offer.

2.7 Details of other corporate exercises

As at the LPD, save for the Rights Issue with Warrants, the termination of the Existing ESOS and the establishment of the New ESOS, our Board confirms that there is no other outstanding corporate exercise which we intend to undertake, which have been announced but pending completion. The Board anticipates the Existing ESOS options to be terminated prior to the Entitlement Date.

3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION

3.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants, which you are entitled to accept/subscribe for, in full or in part, under the terms and conditions of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such provisionally allotted Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for the Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you choose to do so.

The provisionally allotted Rights Shares with Warrants are renounceable in full or in part and as such, you may fully or partially renounce your rights entitlements to the Rights Shares with Warrants.

3.2 NPA

The provisional allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the provisionally allotted Rights Shares with Warrants will be by book entries through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making their applications.

3.3 Last date and time of acceptance and payment

The last date and time for acceptance and payment for the Rights Shares with Warrants is 5.00 p.m. on 9 March 2016 or such other later date and time as may be determined and announced by our Board at its discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.4 Procedure for full acceptance and payment

Acceptance and payment for the Rights Shares with Warrants provisionally allotted to you as an Entitled Shareholder and/or your renouncee(s)/transferee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible, may not be accepted at the discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS PROVISIONALLY ALLOTTED TO YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE), EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR/THEIR PROVISIONALLY ALLOTTED ENTITLEMENTS, ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED WITH THIS ABRIDGED PROSPECTUS.

If you or your renouncee(s)/transferee(s) (if applicable) wish to accept all or part of the provisionally allotted Rights Shares, you or your renouncee(s)/transferee(s) (if applicable) are required to complete Part I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be despatched by **ORDINARY POST** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:

FOR DELIVERY BY HAND AND/OR COURIER:-

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

FOR ORDINARY POST:-

Symphony Share Registrars Sdn Bhd
Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Helpdesk Telephone No: 603-7849 0777
Facsimile No: 603-7841 8151/8152

so as to arrive not later than 5.00 p.m. on 9 March 2016, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board, not less than two (2) Market Days before the stipulated date and time.

One (1) RSF can only be used for acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of more than one (1) CDS Account. If successful, Rights Shares with Warrants subscribed by you or your renouncee(s)/transferee(s) (if applicable) will be credited into the respective CDS Accounts as stated on the completed RSF.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renouncee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares with Warrants will comprise 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares will be given free attached Warrants on the basis of four (4) Warrants for every five (5) Rights Shares successfully subscribed. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. However, four (4) Warrants will be issued for every five (5) Rights Shares subscribed. Fractions of Rights Shares and Warrants arising from the Rights Issue with Warrants will be disregarded and dealt with in such manner and on such terms and conditions as our Board shall in its discretion deems fit or expedient or in the best interest of our Company.

If acceptance and payment for the Rights Shares with Warrants provisionally allotted to you and/or your renouncee(s)/transferee(s) (if applicable) is not received by our Share Registrar by 5.00 p.m. on 9 March 2016, being the last date and time for acceptance and payment, or any other extended date and time as may be determined and announced by our Board at their discretion, you and/or your renouncee(s)/transferee(s) (if applicable) will be deemed to have declined the provisional allotment made to you and/or your renouncee(s)/transferee(s) (if applicable) and it will be cancelled. Such Rights Shares with Warrants not taken up will be allotted to the applicants applying for excess Rights Shares with Warrants. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept or to accept in part only any application, without providing any reasons.

You or your renouncee(s)/transferee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF, may obtain additional copies from Bursa Securities' website (http://www.bursamalaysia.com), our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN "RM" FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "HWGB RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS, CDS ACCOUNT NUMBER AND CONTACT NUMBER IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR.

THE PAYMENT MUST BE MADE IN THE EXACT AMOUNT. APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE DISCRETION OF OUR BOARD. CHEQUES OR ANY OTHER MODES OF PAYMENT WILL BE REJECTED. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR OR OUR COMPANY.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

OUR SHARE REGISTRAR WILL NOT CONTACT YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) FOR ACCEPTANCES WHICH DO NOT STRICTLY CONFORM TO THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS OR THE RSF OR THE NOTES AND INSTRUCTIONS CONTAINED IN THESE DOCUMENTS, OR WHICH ARE ILLEGIBLE.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED TO YOU WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU WITHIN FIFTEEN (15) MARKET DAYS AFTER THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE WITH WARRANTS, BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5 Procedure for part acceptance

You can accept part of your provisionally allotted Rights Shares with Warrants. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. However, four (4) Warrants will be issued for every five (5) Rights Shares subscribed. Fractions of Warrants arising from the Rights Issue with Warrants will be disregarded and dealt with in such manner and on such terms and conditions as our Board shall in its discretion deems fit or expedient or in the best interest of our Company.

You must complete both Part I(A) of the RSF by specifying the number of Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 3.4 of this Abridged Prospectus.

The portion of the provisionally allotted Rights Shares with Warrants that have not been accepted shall be allotted to applicants applying for excess Rights Shares with Warrants.

3.6 Procedure for sale/transfer of provisional allotment of Rights Shares with Warrants

As the provisionally allotted Rights Shares with Warrants are prescribed securities, you may sell/transfer all or part of your entitlement to the Rights Shares with Warrants to one (1) or more person(s) through your stockbroker(s) without first having to request for a split of the provisional allotted Rights Shares with Warrants standing to the credit of your CDS Accounts. To dispose of all or part of your entitlement to the Rights Shares with Warrants, you may sell such entitlement on the open market or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling/transferring all or part of your provisionally allotted Rights Shares with Warrants, you and/or your renouncee(s)/transferee(s) (if applicable) need not deliver any document including the RSF, to any stockbroker. However, you and/or your renouncee(s)/transferee(s) (if applicable) must ensure that there is sufficient provisional allotment of Rights Shares with Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

Purchasers or transferees of the provisionally allotted Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar as stated above or at our Registered Office. This Abridged Prospectus and RSF are also available on Bursa Securities' website (http://www.bursamalaysia.com).

If you have sold or transferred only part of the provisionally allotted Rights Shares with Warrants, you may still accept the balance of the provisionally allotted Rights Shares with Warrants by following the procedures described in Section 3.5 of this Abridged Prospectus.

3.7 Procedure for acceptance by renouncee(s)/transferee(s)

Renouncee(s)/transferee(s) who wish to accept the provisionally allotted Rights Shares with Warrants must obtain a copy of the RSF from our Share Registrar, our Registered Office, or from Bursa Securities' website (http://www.bursamalaysia.com) and complete the RSF, submit the same together with the remittance in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 3.4 of this Abridged Prospectus also applies to renouncee(s)/transferee(s) who wish to accept the provisionally allotted Rights Shares with Warrants.

RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENT OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND RSF CAREFULLY.

3.8 Procedure for excess application

As an Entitled Shareholder, you and/or your renouncee(s)/transferee(s) (if applicable) may apply for excess Rights Shares with Warrants in addition to the Rights Shares with Warrants provisionally allotted to you and/or your renouncee(s)/transferee(s) by completing Part I(B) of the RSF (in addition to Part I(A) and II) and forward it together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Warrants applied for, to our Share Registrar at the address set out above, so as to arrive not later than 5.00 p.m. on 9 March 2016, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board, not less than two (2) Market Days before the stipulated date and time.

Payment for the excess Rights Shares with Warrants applied for should be made in the same manner as described above, except that the Banker's Draft(s), Cashier's Order(s), Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed **"A/C PAYEE ONLY"** and made payable to **"HWGB EXCESS RIGHTS ISSUE ACCOUNT"** and endorsed on the reverse side with your name, address, CDS Account number and contact number in block letters to be received by our Share Registrar.

It is the intention of our Board to allot the excess Rights Shares with Warrants applied for under Part I(B) of the RSF, if any, on a fair and equitable basis and in the following priority:-

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot calculated based on their respective shareholdings as at the Entitlement Date;

(iii) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot calculated based on the quantum of their respective excess Rights Shares with Warrants applied for; and

(iv) fourthly, for allocation to transferee(s) and/or renouncee(s) who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot based on the quantum of their respective excess Rights Shares with Warrants applied for.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants applied under Part I(B) of the RSF in such manner as our Board deems fit and expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in Section 3.8 (i)-(iv) are achieved. Our Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO YOU AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

APPLICANTS ARE NOT ALLOWED TO WITHDRAW THE RSF AND PAYMENT ONCE THEY HAVE BEEN LODGED WITH OUR SHARE REGISTRAR.

OUR SHARE REGISTRAR WILL NOT CONTACT YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) FOR ACCEPTANCES WHICH DO NOT STRICTLY CONFORM TO THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS OR THE RSF OR THE NOTES AND INSTRUCTIONS CONTAINED IN THESE DOCUMENTS, OR WHICH ARE ILLEGIBLE.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST TO YOU WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THEIR REMITTANCE BEING PRESENTED FOR PAYMENT.

3.9 Form of issuance

Bursa Securities has already prescribed our securities listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions or inaccuracy in the CDS Account number may result in the application being rejected.

No physical shares or warrant certificates will be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares with Warrants will be credited directly into your CDS Accounts. The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors of Bursa Depository within eight (8) Market Days from the last time and date for acceptance and payment of the Rights Issue with Warrants.

Any person who intends to subscribe for the Rights Shares with Warrants as a renouncee by purchasing the provisional allotment of Rights Shares with Warrants from an Entitled Shareholder, will have his Rights Shares with Warrants credited directly as prescribed securities into his CDS Account.

The excess Rights Shares with Warrants, if allotted to the successful applicant who applies for excess Rights Shares with Warrants, will be credited directly as prescribed securities into his CDS Account.

3.10 Laws of foreign jurisdictions

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered in any foreign jurisdiction. Foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Shares with Warrants only to the extent that it would be lawful to do so.

M&A Securities, other experts, our Company and our directors and officers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) are or may be subjected to. Foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. M&A Securities, other experts, our Company and our directors and officers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders or renouncee(s)/transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, this Abridged Prospectus together with the accompanying documents will not be sent to the foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) may collect the Abridged Prospectus including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

Foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against M&A Securities or us in respect of their rights and entitlements under the Rights Issue with Warrants. Such foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing any of the forms accompanying this Abridged Prospectus, the NPA, and the RSF, the foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) M&A Securities, other experts, our Company and our directors and officers that:

(i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renouncee(s)/transferee(s) (if applicable) are or may be subjected to;

(ii) they have complied with the laws to which they are or may be subjected to in connection with the acceptance or renunciation;

(iii) they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subjected to;

(iv) they are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) they have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and

(vi) they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving this Abridged Prospectus, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, NPA and RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject any purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholders or their renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants is undertaken to recapitalise our Company after the Par Value Reduction exercise which was completed on 7 January 2016. The proceeds arising from the Rights Issue with Warrants will enable us to raise capital primarily to repay Daewoo, our Group's trade creditor (under the Minimum Scenario) and in event where excess proceeds are raised above the Minimum Scenario, to also repay our bank borrowings as soon as possible. The debt owing to Daewoo and the majority of our bank borrowings are denominated in USD, which due to the current foreign exchange climate of USD to RM, have increased our Group's repayment burden significantly. Due to the limitations of funding commitments that can be raised, the proceeds from the Rights Issue with Warrants is to primarily reduce our Group's debt burden.

Our Board is cognisant of the financial performance and position of our Group and has already undertaken measures to improve our Group's performance in our primary segment, i.e. manufacturing of moulded power supply cord sets and wires and cables division, having implemented semi-automated production cycles and replaced old machineries in stages to reduce manpower cost and to improve production efficiency. Nonetheless, our Group intends to diversify into business opportunities of growth to reduce our Group's dependency on the manufacturing of moulded power supply cord sets and wires and cables.

After due consideration of the various methods of fund-raising available, our Board is of the view that the Rights Issue with Warrants is the most appropriate means of fund raising for our Company as it:

(a) enables our Company to raise the much needed capital required without incurring interest costs as compared to other means of financing such as through bank borrowings or the issuance of debt instruments;

(b) allows our Company to be recapitalised;

(c) provides the opportunity for our existing shareholders to further participate in the equity and the future prospects of our Company. The Undertaking allows Kintron to extend its support for the Rights Issue with Warrants which will facilitate our Company in raising the necessary funds;

(d) involves the issuance of new HWGB Shares without diluting existing shareholders' equity interest assuming all Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue with Warrants and fully exercise their Warrants subsequently; and

(e) provides an opportunity for our Company to raise further capital from the equity market as and when any of the Warrants are exercised. The Warrants are attached to the Rights Shares and are expected to enhance the attractiveness of the subscription of the Rights Shares by Entitled Shareholders as it provides Entitled Shareholders with the opportunity to increase their equity participation in our Company at a predetermined price during the tenure of the Warrants.

5. UTILISATION OF PROCEEDS

At the issue price of RM0.08 per Rights Share, gross proceeds of up to RM49.41 million is expected to be raised which shall be utilised as follows:

Purpose	Minimum Scenario RM'000	Maximum Scenario RM'000	Timeframe for utilisation from the listing of the Rights Shares
Repayment of bank borrowings(i)	-	31,776	Within 3 months
Payment to a trade creditor(ii)	15,055	15,055	Within 3 months
Working capital(iii)	145	1,777	Within 12 months
To defray expenses relating to the Corporate Exercises(iv)	800	800	Within 1 month
Total	**16,000**	**49,408**	

Notes:

(i) Total borrowings of our Group as at the LPD is approximately RM32.95 million. In the event where excess proceeds are raised above the Minimum Scenario, our Group's proposed repayment of bank borrowings is as follows:

Banker	Facility	Amount outstanding as at the LPD '000	Proposed repayment RM'000	Interest rate % per annum
Bank Negara Indonesia(1)	Term loan	USD6,609	27,552(3)	9.00
CIMB Bank Berhad(2)	Term loan	RM4,483	4,224	4.85

(1) The trade financing facility was given to our wholly-owned subsidiary, PTHWG, which is involved in manufacturing of wires and cables, moulded power supply cord sets, wire and cable assembled for electrical and electronic devices and equipment, for the purchase of raw materials. This trade financing facility was converted into a term loan in January 2014.

Amount outstanding as at the LPD	**Repayment period (monthly instalments)**	**Repayment amount per month**
USD6,609,000	71	Monthly repayment of USD138,888 with a final instalment of USD32,291

(2) The term loan was given to Ho Wah Genting Trading Sdn Bhd, our wholly-owned subsidiary, which is involved in trading of wires and cables to finance its working capital requirements.

Amount outstanding as at the LPD	**Repayment period (monthly instalments)**	**Repayment amount per month**
RM4,483,000	240	Monthly repayment of RM31,839

(3) Based on an exchange rate of RM4.30=USD1 as at the LPD (Source: Bank Negara Malaysia).

The repayment of bank borrowings amounting to approximately RM31.78 million is expected to result in interest savings of approximately RM2.39 million per annum (calculated based on the respective interest rates of the facilities set out above and at an exchange rate of RM4.30=USD1 (Source: Bank Negara Malaysia)).

(ii) The proposed repayment to a trade creditor of our Group is as follows:

Trade creditor	**Amount outstanding as at the LPD '000**	**Proposed repayment RM'000**	**Interest rate % per annum**
Daewoo	USD3,585	15,055[(1)]	4.50

(1) Based on an exchange rate of RM4.30=USD1 as at the LPD (Source: Bank Negara Malaysia).

As at April 2015, PTHWG was unable to repay Daewoo an outstanding amount of USD7.02 million owed to it and Daewoo has since suspended its account with PTHWG pending PTHWG's repayment of the outstanding amount due in accordance with the agreed repayment schedule. On 23 June 2015, on the request of PTHWG, we gave an irrevocable and unconditional letter of guarantee to Daewoo for the sum of USD7.02 million as security for PTHWG's performance of payment obligation under the agreed repayment schedule.

The urgency to make such repayment to Daewoo is due to the said corporate guarantee given by HWGB and the agreed payment schedule which PTHWG needs to adhere to. In the event, HWGB is unable to repay Daewoo, Daewoo has the right to call on the corporate guarantee, issue a demand letter and subsequently petition to wind up PTHWG and HWGB.

The early settlement to Daewoo amounting to approximately RM15.06 million is expected to result in interest savings of approximately RM0.24 million for the FYE 31 December 2016 (calculated based on the respective interest rates set out above and at an exchange rate of RM4.30=USD1 (Source: Bank Negara Malaysia)).

(iii) A breakdown of the utilisation for working capital is as follows:

Details of Utilisation	**Minimum Scenario RM'000**	**Maximum Scenario RM'000**
Working capital for our Group's tin mining division		
• Payment to earthworks contractors[1]	145	1,777

(1) In an opencast tin mine, earthwork contractors are engaged to excavate the top soil earth called "overburden" and to transport it by trucks to a designated dumping area while those with high contents of tin ores will be delivered to a collection pit for processing. The utilisation of proceeds to earthwork contractors is to expedite the excavation with more machineries, excavators and trucks provided by the earthwork contractors to increase the output of tin concentrate.

The year-to-year total tin concentrate produced is as follows:

Year	**2011**	**2012**	**2013**	**2014**	**2015**
Total tin concentrate produced (in metric tonnes)	62	221	56	51	261

In 2013 and 2014, low volumes of tin concentrates produced were due to low grades of tin ores extracted from river sand and tailing pond; as well as limited working capital to excavate the overburden. In 2015, tin concentrates output was higher by fivefold as compared to year of 2014 as a result of the engagement of earthwork contractors with more machineries, excavators and trucks in March 2015 to carry out the excavation of overburden as well as to reach tin ores further into the ground.

As at the LPD, our Group has incurred a total capital investment of RM31.47 million for our tin mining division. We had in 2009 and 2013, engaged a geology consultancy and an exploration consultancy company, respectively to undertake geological evaluation and tin reserve estimation, as well as further resource estimation works. Both undertakings have culminated in reports which indicated potential tin deposits, with the resource estimation report in 2013 estimating a reserve estimation of 44,000 metric tonnes. The said report had however recommended that a drilling contractor be engaged to carry out exploration drilling works for a more conclusive determination of tin reserve deposits. However, due to lack of funding, HWG Tin Mining Sdn Bhd has yet to engage a drilling contractor to undertake the drilling works, which cost is estimated at approximately USD1.83 million.

Pending further funding to undertake the drilling works, our Group intends to use the proceeds raised from the Rights Issue with Warrants as working capital to pay earthworks contractors to further increase the output of tin concentrate.

(iv) The estimated expenses comprise:

(a)	professional fees	RM550,000
(b)	miscellaneous charges such as printing, advertising and general meeting charges	RM137,000
(c)	authorities fees	RM113,000

If the actual expenses incurred pursuant to the Rights Issue with Warrants are higher than the amount budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised for working capital of our Group.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purpose, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

Proceeds potentially arising from any exercise of Warrants in the future will be dependent on the actual number of Warrants exercised during the tenure of the Warrants. As such, any proceeds raised from the exercise of Warrants in the future will be utilised for working capital requirements of our Group, which shall include payment of operational expenses. Our Board has yet to determine the exact allocation on the utilisation categories.

6. RISK FACTORS

In running our business activities, we face risks which may have potential impact to our Group's performance unless proper anticipation and mitigation measures are exercised.

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants. You should take note that these risk factors are not exhaustive.

6.1 Risks relating to our Group and the industries we operate in

We are exposed to certain risks in the manufacturing of moulded power supply cord sets and wires and cables; tin mining and tourism and travel related services. These risks include, without limitation, the following:

(a) Sensitivity to economic downturn

Our Group is facing a present world economic outlook which is uncertain. Any continued slowdown in the growth of the electrical appliance industry, housing sector, tin mining industry and other general world-wide economic activities could materially and adversely affect our Group's operating result and financial condition.

Nevertheless, given that people are dependent on electricity in their everyday life, moulded power supply cord sets can thus be viewed as an essential item, which acts as a mitigating factor. In addition, whilst there is a gradual reduction of domestic consumption of tin by tin-based industries due to lower demand and use of tin metal for domestic manufacturing, the tin mining industry in Malaysia is expected to be supported by demand from the widespread applications of the tin metal and the miniaturisation trend in consumer electronics.

(b) Political and regulatory factors

Any adverse change in the political and regulatory environment in Indonesia and Malaysia could have an unfavourable effect on our financial and business prospects. These changes may include, but are not limited to changes in political leadership, unfavourable changes in the governmental policies such as changes in the employment of local and foreign workers, taxation, interest rates, licensing or introduction of new regulations.

Much of the above factors are beyond our control. Whilst we could continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that any changes to these factors will not materially and adversely affect our financial position or business.

(c) Risk on financial performance

Pursuant to Paragraph 8.04(2) of the Main Market LR, where a listed issuer triggers any one (1) or more of the prescribed criteria stated in Practice Note 17 of the Main Market LR (which may be prescribed by Bursa Securities in relation to the financial condition and level of operations of a listed issuer), the listed issuer will be required to submit and obtain the approval of Bursa Securities, a comprehensive regularisation plan within a 12-month period. Failure to comply with this obligation may result in the de-listing of the listed issuer. Should the financial performance of our Group continue to deteriorate, we may risk triggering the said prescribed criteria which can result in our Group being classified as an affected listed issuer pursuant to Practice Note 17 of the Main Market LR.

The Rights Issue with Warrants is an interim measure by our Board to address the current financial position of our Group based on the minimum funding requirements and funding commitments that can be raised. Proceeds to be raised from the Rights Issue with Warrants is to primarily repay Daewoo, our Group's trade creditor (under the Minimum Scenario) and in the event where excess proceeds are raised above the Minimum Scenario, to also repay our bank borrowings as soon as possible. The debt owing to Daewoo and the majority of our bank borrowings are denominated in USD, which due to the current foreign exchange climate of USD to RM, have increased our Group's repayment burden significantly.

Our Board is cognisant of our Group's financial performance and position and has already undertaken measures to improve our Group's performance in our primary segment, i.e. manufacturing of moulded power supply cord sets and wires and cables division, having implemented semi-automated production cycles and replaced old machineries in stages to reduce manpower cost and to improve production efficiency. Our Board also intends to primarily repay Daewoo, our Group's trade creditor and our bank borrowings, denominated largely in USD as soon as possible, to reduce the debt burden which had affected our Group's bottomline.

In addition, our Board has/is also actively seeking new business opportunities for growth to further address our Group's financial concerns as well as to diversify into business opportunities of growth to reduce our Group's dependency on the manufacturing of moulded power supply cord sets and wires and cables.

Our Group's current ongoing plans to improve its gross loss/LBT position include:

- Continuing to implement semi-automated production cycles and replace old machineries in stages to reduce our dependency on manpower charges and also to improve production efficiencies;
- Continuing to develop new products with higher margins, which at present, the research & development department is developing portable handheld lamps using incandescent/fluorescent/built-in LED bulbs, utility work light and cord management sets;
- Penetrating new markets for housing wires particularly in Asia i.e. Thailand and Indonesia as these countries have higher gross domestic products; and
- Reducing the high financing cost by retiring the facility from Bank Negara Indonesia which is currently at a high interest rate of 9% per annum.

(d) Dependency on key management and key personnel

Our Group believes that our performance is dependent upon the abilities and efforts of our Board and supported by our experienced, knowledgeable and dynamic senior management team in the respective industries that our Group is in. Our ability to execute our business operations, projects and competitive strategies in the future hinges largely on the efforts of our Group's key personnel. The sudden departure of any key personnel without appropriate replacement may affect our Group's businesses and operations.

Our Group recognises the importance of attracting and retaining our senior management personnel and has in place human resource strategies/incentives such as encouraging participative management, providing competitive remuneration packages, adopting succession planning for key positions and providing employees with a variety of on-going training and development programmes to upgrade their knowledge and capabilities. Our Group is thus confident that we will not face difficulties when younger members of our management team eventually takes over in the future. In addition, every effort is made to recruit and retain skilled personnel to ensure the continued growth of our Group. However, the loss of key members of the senior management team could adversely affect our Group's ability to compete in the industry.

(e) Risks relating to the power cord sets, wires and cables sector

(i) Raw material price fluctuations

The principal raw materials for the manufacturing of our power supply cord sets and wire and cable products are copper rods and PVC resins. All these major raw materials are presently readily available through local and foreign suppliers.

Our Group sources our raw materials from various suppliers and most of our suppliers have long term relationships with our Group. With the long term establishment and reputation with our suppliers, we are ensured of prompt supply of high/good quality materials at competitive rates. However, raw materials prices may be subject to fluctuations. We may be exposed to the risk of fluctuation of raw material costs which may have adverse impact on our financial results. Any increase in the raw materials price may affect our margins if we are unable to pass on the cost to our customers. Our Board believes that the volatility of our raw material cost is manageable, as our supply orders are based on production orders and not long-term supply contracts.

Notwithstanding the above, no assurance can be given that any fluctuation in raw material prices will not affect the future profitability of our Group.

(ii) Foreign exchange

Although the purchase of our raw materials and approximately 86.0% of our Group's revenue are derived from exports denominated in USD which serves as a natural hedge, we are exposed to foreign currency exchange fluctuations as a result of reporting timing at each respective reporting date. Any appreciation or depreciation of the USD against the RM or Indonesian Rupiah (for purchases of local content and operating expenses) will result in our Group incurring foreign currency exchange gains or losses. Foreign currency exchange fluctuations may result in translation gains or losses on our Group's financial result as our Group's reporting currency is in RM. Any translation of gains or losses will be recorded in the income statement.

Since August 2015, the foreign exchange climate of USD to RM has further affected our Group's financial performance and has increased our Group's debt burden significantly, which is mainly denominated in USD. As such, our Board intends to primarily repay Daewoo, our Group's trade creditor and our bank borrowings which are denominated largely in USD as soon as possible. Nevertheless, there can be no assurance that any further foreign exchange deterioration will not deteriorate further our Group's earnings and gearing ratio.

(iii) Competition

Our industry is competitive in terms of price, product deliverable quality and timeliness of delivery. We face competition from local and foreign competitors due to the demand of our products globally. At present, our biggest competitors are companies from China which have lower pricing due to economies of scale. To maintain our competitiveness, our Group has undertaken measures to improve our performance and production efficiency, with the implementation of semi-automated production cycles and replacement of old machineries in stages to reduce manpower cost.

For the FYE 31 December 2013, PTHWG recorded gross loss of RM1.15 million and for the FYE 31 December 2014, the gross loss was reduced by 57.19% to RM0.49 million. To reduce the losses, priority was given to produce products with higher margins mix. As part of our strategy to remain relevant and competitive, our Group plans to continue to develop new products with higher margins as well as to penetrate new markets for housing wires in Asia i.e. Thailand and Indonesia as these countries have higher gross domestic products.

Notwithstanding the above, our Board has/is also actively seeking new business opportunities for growth to reduce our dependency on the manufacturing of moulded power supply cord sets and wire and cables.

(iv) Dependence on major customers

A substantial portion of our Group's revenue are derived from sales through our major customers, either packaged with electrical products or as OEM packaged products. The success of our Group is dependent on the performance of our major customers and our success in maintaining existing and establishing new relationships with customers.

Our Group had in recent years been affected by competition from China made products which have lower pricing due to economies of scale. However, we have been actively developing new products with higher margins such as portable handheld lamps, utility work light and cord management sets as well as sourcing new markets to penetrate.

(v) Changing economic, political or government policies in the US could affect our business and prospects

Approximately 86.0% of our Group's revenue is exported to the US market for the FYE 31 December 2014. Accordingly, our financial condition and results of operations as well as our growth of our business will be affected to a significant extend by economic, political and governmental developments in the US.

During the first half of 2015, the US economy grew by 2.8% (January-June 2014: 2.2%), mainly attributed by higher private consumption and a firmer housing market. Private consumption grew by 3.2% (January-June 2014: 2.3%), supported by lower oil prices as well as better job market conditions. The housing industry strengthened further as reflected by higher housing starts at 9% (January-June 2014:: 5.6%) and building permits at 13.4% (January-June 2014: 4.2%) (Source: Economic Report 2015/2016, Ministry of Finance Malaysia). All these factors may have a favourable effect to the sale of our Group's power supply cord sets as the US accounts for a majority of our Group's revenue.

(f) Risks relating to the tin mining sector in Malaysia

(i) Price fluctuations of tin

Our tin mining division is exposed to the fluctuations of tin price, which is attributed to the global demand and supply of tin. An increase in global tin supply and/or decrease in world consumption levels of time may result in downward selling pressure on tin. Tin price registered an average of USD16,063 per tonne in 2015, down from USD22,000 per tonne for the past 5 years from 2010 to 2014, affected partly from the oversupply in the global tin market and lower demand and use of tin for manufacturing (Source: Protégé Associates Sdn Bhd).

Whilst there is a gradual reduction of domestic consumption of tin by tin-based industries due to lower demand and use of tin metal for domestic manufacturing, the outlook of the tin mining industry in Malaysia is expected to be supported by demand from the widespread applications of the tin metal and the miniaturisation trend in consumer electronics.

(ii) Foreign exchange

As our tin mining division is exposed to the fluctuations of the price of tin which is denominated in USD, any appreciation or depreciation of the USD against the RM will expose our Group to foreign currency exchange fluctuations. Based on an average price of tin in Malaysia of USD16,063 per tonne in 2015 (Source: Protégé Associates Sdn Bhd), the USD has appreciated significantly against the RM since the first half of 2015 at an average of RM3.30: USD1 to RM4.30: USD1 (Source: Bank Negara Malaysia) as at the LPD. The appreciation or depreciation of the USD against the RM will impact our revenue and our Group's financial result as our Group's reporting currency is in RM.

(iii) Tin deposits in our mine

Our financial performance from tin mining will depend in part on our ability to extract tin deposits and process them into tin concentrates. Based on a resource estimation report dated 16 August 2013, the said report had indicated we had potential tin deposits of 44,000 metric tonnes. For a more conclusive determination of tin reserve deposits, it was recommended that a drilling contractor be engaged to carry out exploration drilling works. Due to lack of funding, we have yet to engage a drilling contractor to undertake the drilling works, which cost is estimated at approximately USD1.83 million. If the amount of tin deposits is low, it may result in cost overrun as it may be cost ineffective to process the tin ores, and this could have a material adverse effect on our future financial conditions, results of operations and prospects.

(iv) Operation and environmental risk and natural disaster to the tin mining operation

Our tin mining operation is subject to a variety of potentially severe operating risks, including major or sustained disruption in the supply of utilities such as water or electricity, industrial accidents such as mine collapses wherein one of the pit walls collapses due to landslides as well as environmental risks including unexpected adverse geological conditions, environmental hazards and other natural phenomena. Any of such calamities or other events beyond our control may lead to significant disruption or cessation in our tin mining operations. Any disruption of our Group's tin mining production may result in us having to incur large capital expenditures to restore our necessary infrastructure facilities and may consequently have a material adverse effect on our Group's cashflows. As at the LPD, our Group has not experienced any major disruption to our tin mining production.

(g) Risks relating to the tourism and travel related services sector

(i) Unpredictable nature of the tourism and travel related industry

Our travel division was affected due to the 8.6% decrease in the number of tourists coming to Malaysia in the first quarter of 2015 arising from amongst others, the air disasters in 2014, the haze, the floods that affected some parts of Malaysia for arrivals by road and interest of other countries in the region to draw each other's tourists (Source: Tourism Malaysia Press Release dated 26 May 2015). In addition, the depreciation of the RM against other global currencies since the second half of 2015 have also impacted outward travel related services.

Accordingly, any of these types of events, or other events that are not within our control, may have a significant adverse impact on the demand for our services or increase our operating costs, either of which, may have a material adverse impact on our financial condition and results of operations. Notwithstanding that, our Group plans to expand our services with the help of MATTA FAIR®.

6.2 Risks relating to the Rights Issue with Warrants

(a) Potential Dilution

Entitled Shareholders who do not accept their provisional allotment of the Right Shares with Warrants will have their proportionate ownership and voting interest in our Company reduced due to the percentage on the enlarged issued and paid-up share capital represented by their shareholdings in our Company reduced proportionately.

(b) Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of force majeure events or events/circumstances, which are beyond our Adviser's or our control, occurring prior to the implementation of the Rights Issue with Warrants.

In this respect, pursuant to Section 243 of the CMSA, in the event the Rights Issue with Warrants is aborted, all monies raised in the Rights Issue with Warrants which are held in a trust account for our Company will be refunded free of interest within fourteen (14) days to the Entitled Shareholders in the event the Rights Issue with Warrants is aborted. Monies not paid within fourteen (14) days will be returned with interest at the rate of 10% per annum or at such other rates as may be prescribed by the SC.

In the event the Rights Issue with Warrants is aborted/terminated, and the Rights Shares have been allotted to the Entitled Shareholders, a return of monies to all holders of Rights Shares could only be achieved by way of cancellation of the share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

Notwithstanding the above, we will exercise our best endeavour to ensure the successful implementation of the Rights Issue with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue with Warrants.

(c) Investment and capital market risk

The market price of the Rights Shares and Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuations and will be influenced by, inter-alia, trades in substantial amount of the Rights Shares and Warrants on the Main Market of Bursa Securities in the future, the market price and volatility of HWGB Shares, announcements relating to the business of our Group and our financial performance. In addition to the fundamentals of our Group, the future performance of our Rights Shares and Warrants also depends on various external factors such as economic and political conditions of the country, sentiments and liquidity in the local stock market, the performance and volatility of equity markets on local, regional and world bourses.

In view of this, there is no assurance that the market price of the Rights Shares upon or subsequent to the listing of and quotation for the Rights Shares will trade or be above the issue price of RM0.08 or be at a level that meets the specific investment objectives or targets of any holder of the Rights Shares.

Furthermore, the Warrants to be issued will lapse at the end of its tenure and cease to be valid and hence, will no longer have value upon expiry.

(d) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

7.1 Overview and prospects of the global economy

Global growth is anticipated to remain moderate in 2015 at 3.1% (2014: 3.4%), supported by a gradual pickup in advanced economies at 2% (2014: 1.8%), despite a slowdown in emerging market and developing economies at 4% (2014: 4.6%). World trade is expected to grow by 2.8% in 2015 (2014: 2.5%) supported by lower oil and commodity prices as well as a pickup in global output, despite slowing import demand in China, Brazil and other emerging market and developing economies.

Global gross domestic product is anticipated to expand by 3.6% in 2016 (2015: 3.1%), contributed by better performance in most advanced economies as well as improving economic conditions in emerging market and developing economies. In advanced economies, gross domestic product growth is expected to increase by 2.2% (2015: 2%), with the US leading at

2.8% (2015: 2.6%) and euro area 1.6% (2015: 1.5%). Expansion in the US will be supported by strong consumption and investment. Growth in the euro area is expected to expand further following the measures undertaken to support economic recovery, including the expansionary monetary policy, labour market reforms and improved fiscal stance. Japan is estimated to grow modestly at 1% (2015: 0.6%), supported by a more accommodative monetary policy, which is expected to stimulate both private consumption and investment.

Gross domestic product in emerging market and developing economies is expected to increase by 4.5% (2015: 4%) on account of moderate growth in China, stable expansion in India as well as improvements in several ASEAN economies.

The outlook in 2016 is contingent upon the downside risks emanating from monetary policy normalization in the US; continued appreciation of the USD; further decline in oil and other commodity prices; concerns about lower-than-expected growth in China; and geopolitical tensions. The timing, magnitude and speed of normalizing interest rates in the US could adversely affect the housing market, undermine exports as well as lead to further volatility in global financial markets. A stronger USD poses funding risks for emerging market and developing economies, particularly for USD-denominated debt. Lower oil and other commodity prices could further undermine growth in emerging market and developing economies that are reliant on commodity exports. In addition, the impact of slower growth in China could affect countries with strong trade and investment links. Moreover, possible spillovers from heightened geopolitical tensions in Ukraine, the Middle East and parts of Africa could hamper global economic expansion.

(Source: Economic Report 2015/2016, Ministry of Finance Malaysia)

7.2 Overview and prospects of the Malaysian economy

The Malaysian economy remains resilient despite a more challenging external environment, including moderate global growth, declining commodity prices and volatility in financial markets. Real gross domestic product grew by 5.3% during the first half of 2015, supported by steady domestic demand, particularly private sector expenditure. Exports and imports contracted by 1.4% and 2%, respectively, during the first eight months of the year. However, exports of manufactured goods registered modest growth led by demand mainly for electrical and electronic products.

As a small and highly open economy, Malaysia is vulnerable to developments in the external environment. However, the structural reforms undertaken over the years to diversify the economy and strengthened the financial system, have placed the economy on a stronger footing as well as enhanced its resilience to weather the external challenges. Real gross domestic product is expected to register a growth of 4.5%-5.5% in 2015 (2014: 6%), supported by resilient domestic economic activity.

Domestic demand will be the main driver of growth amid external uncertainties, supported by private sector expenditure. Private consumption is expected to remain strong underpinned by stable employment and continued wage growth. Private investment is anticipated to expand, albeit at a moderate pace, driven largely by capital spending in the manufacturing and services sectors. Public investment is expected to rebound, attributed to higher capital spending by the Federal Government and public corporations. Federal Government development expenditure is expected to expand mainly led by construction of major infrastructure projects. Capital spending of public corporations will be mainly in oil and gas, utilities, transport and communication sectors. Meanwhile, public consumption is anticipated to register a lower growth in line with fiscal consolidation efforts.

The projection for growth in 2016 takes into account concerns over the severity of growth slowdown in emerging markets, particularly China. Other downside risks include declining commodity prices, rising volatility in financial markets and depreciating currencies of emerging economies.

Against the backdrop of increased uncertainty in the global economy, growth in the Malaysian economy will be driven by domestic demand, with private expenditure as the main anchor, while public expenditure will increase moderately.

Strong economic fundamentals such as benign inflation and stable employment supported by an accommodative monetary policy are expected to support growth. Thus, the Malaysian economy is expected to remain on a steady growth path, expanding between 4%-5% in 2016. On the supply side, growth is expected to be broad-based, supported by expansion in all sectors of the economy, led by the services and manufacturing sectors.

In 2016, the impact of goods and services tax on prices is expected to wane, while the weakening ringgit may lead to higher prices in some imported goods. However, this will be mitigated by weak commodity prices and lower global inflation. Furthermore, the economy is expected to operate in line with its potential output without any significant upward pressure on domestic prices. Hence, inflation is expected to remain stable at 2%-3% for 2016.

(Source: Economic Report 2015/2016, Ministry of Finance Malaysia)

7.3 Overview and prospects of the wires and cables industry in Malaysia

The Malaysian market size (revenue) generated under the category of electrical power cables and wires and other insulated wires and cables not elsewhere classified stood at RM10.61 billion in 2015. The market size includes insulated wires and cables made of steel, copper and aluminum but excluding the manufacture (drawing) of wires, computer cables, printer cables, USB cables and similar sets or assemblies and cable sets, wiring harnesses and similar cable sets or assemblies for automotive applications. The outlook of the local wires and cables industry is expected to remain positive.

The outlook for the industry stems from the encouraging growth of major end-user markets, such as the automotive, consumer electronics and property markets, as demand for wires and cables is positively correlated with the demand for products that are offered by their end-user markets. Infrastructure development and growing demand in the power transmission and distribution sector, as well as the telecommunications sector, are also anticipated to drive further growth in the industry. The development of critical infrastructure in the two sectors such as electrical transmission stations and telecommunication towers creates further demand for wires and cables leading to higher growth in the industry. Besides that, the continued proliferation of electronics equipment, through the use of more and more electronic devices and gadgets in the consumer electronics sector is also expected to spur more growth in the local wires and cables industry.

In addition to the above, the property market is an important end-user market for the wires and cables industry in Malaysia. The growth in the local wires and cables industry is expected to be supported by the incoming and planned supply of properties in Malaysia. There were approximately 4.9 million residential units in Malaysia by the end of third quarter ("Q3") 2015 with 870,442 residential units expected to be added to the existing stock and another further 635,710 residential units being planned. For shop units, there were 413,595 units in Malaysia by the end of Q3 2015 with 94,903 shop units expected to be added to the existing stock and another further 72,366 shop units being planned.

Malaysia's existing stock of shopping complex space in Q3 2015 was approximately 13.5 million sm^2. During the same year, incoming and planned supply of shopping complex space stood at 1.8 million sm^2 and 0.9 million sm^2 respectively. Malaysia's existing stock of purpose-built office space recorded at 20.0 million sm^2 in Q3 2015. During the same year, incoming and planned supply of purpose-built office space stood at 1.5 million sm^2 and 0.7 million sm^2 respectively. There was an existing stock of 103,248 industrial units in Malaysia as at end of Q3 2015, with 11,627 incoming units and 12,494 planned units.

Note:
sm^2 : square metres
(Source: Protégé Associates Sdn Bhd)

7.4 Demand for electrical cord sets in the US

In the US, the manufacture of extension cords, appliances cords and similar electrical cord sets from purchased insulated wire are included as part of the 'All Other Miscellaneous Electrical Equipment and Component Manufacturing' category of products. In 2015, the exports and imports of products under this category stood at USD7.39 billion and USD12.92 billion respectively.

Going forward, the electrical cord sets industry in the US remains challenging in view of the high volatility in copper prices. The level of price competition in the industry is also expected to remain intense. On a more positive note, an expanding US economy is expected to augur well for the growth in the industry due to positive consumer sentiment that can spur further consumption of electrical cord sets.

(Source: Protégé Associates Sdn Bhd)

7.5 Overview and prospects of the tin mining industry in Malaysia

The tin mining industry is one of the oldest industries in Malaysia with tin being mined since the 1820s. Tin is an essential element in modern life where it is chiefly used as solder to glue together (as conductor) all of the electrical and electronic devices and in the manufacture of tin cans for the food and beverage processing industry. Despite declining production rates since its heyday in the 1970s, Malaysia continued to be ranked as a country with major tin deposits, and its domestic participation in the industry has remained active over the years. The annual production of tin-in-concentrates in Malaysia hovered around 3,000 to 4,000 tonnes in recent years. The production of tin-in-concentrates in Malaysia stood at an estimated 3,777 tonnes in 2014. Owing to the depleting reserves, Malaysia has also depended on imported tin-in-concentrates to meet the feedstock demand from smelters and refineries. In 2014, imports of foreign tin-in-concentrates into Malaysia stood at an estimated 31,610 tonnes.

The price of tin trended steadily upwards from the Kuala Lumpur Tin Market average price of USD7,466 per tonne in 2005 to USD21,895 per tonne in 2014, and it has been hovering around USD22,000 per tonne for the past five (5) years from 2010 to 2014. Tin price registered an average of USD16,063 per tonne in 2015, affected partly from the oversupply in the global tin market.

In 2014, the domestic consumption of tin by tin-based industries decreased by 10 percent (10%) from 1,835 tonnes in 2013 to 1,581 tonnes. The consumption of tin by users is segmented into the following categories – the solder category leading consumption at 58.3 percent, tin plate at 32.9 percent, pewter at 5.2 percent and the remaining 3.6 percent for other manufacturing tin-based industries.

The gradual reduction of domestic consumption of tin by tin-based industries over the years is a result of lower demand and use of tin metal for domestic manufacturing as domestic tin-based industries are presently relatively small in terms of its contribution to the country's manufacturing of value-added products.
Moving forward, the tin mining industry in Malaysia is expected to face yet another challenging year in 2016 in view of slower global economic growth that may lead to weakening of commodity prices. Nevertheless, the outlook of the tin mining industry in Malaysia is expected to be supported by the widespread applications of the metal and the miniaturisation trend in consumer electronics.

(Source: Protégé Associates Sdn Bhd)

7.6 Overview and prospects of the tourism and travel related services industry in Malaysia

The tourism and travel related services industry is a services sub-sector that is interdependent with the tourism industry. The tourism industry, which is also the sixth-largest Gross National Income ("GNI") contributing sector to the local economy, is expected to generate annual tourist arrivals of 36 million by 2020. Under the Economic Transformation Programme ("ETP"), 12 Entry Point Projects ("EPPs") have been drafted under the Tourism National Key Economic Area ("NKEA") to drive the growth in tourists' receipts to RM168 billion by 2020. The inbound tourism expenditure of visitors increased 9.1 percent from RM73.37 billion in 2013 to RM80.08 billion in 2014, spurred by higher number of visitor arrivals and stronger spending of foreign tourists in Malaysia. The outbound tourism expenditure of visitors stood at RM31.99 billion in 2014, a 9.1 percent decline from RM29.32 billion in 2013 which was mainly contributed by expenditure on passenger transport services. There were 27.4 million tourist arrivals in 2014.

In the first half of 2015, the number of tourist arrivals stood at 12.6 million, a decrease of 9.4 percent as compared to the same period in 2014 due to reasons such as air tragedies, floods that affected some part of Malaysia, economic uncertainty in Australia and depreciation of the Japanese Yen that discouraged Australians and Japanese from travelling overseas. There were also greater promotional efforts within the region by other countries that drew away the tourists' attention from Malaysia.

Moving forward, the outlook for the local tourism and travel related services industry is positive. The local tourism and travel related services industry can look forward to encouraging support from the Malaysian government. The popularity of the MATTA FAIR®, a consumers' travel fair organised by the Malaysian Association of Tour & Travel Agents, has also played a key role in spurring the growth in the local tourism and travel related services industry. Besides that, the advent of online marketing channel for tourism and travel related services can only help to drive more activities in the industry. Nevertheless, the continuing weakness in the RM may blunt the growth in outbound travelling activities.

(Source: Protégé Associates Sdn Bhd)

7.7 Future prospects of our Group

Our Group is involved in the:

- manufacturing of wires and cables and moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment;
- trading of wires and cables;
- mining, processing and sales of tin concentrate; and
- provision of travel services such as corporate sales and incentive tours.

Our Group's revenue is mainly derived from the manufacturing of wires and cables and moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment, constituting approximately 90.52% of our Group's total revenue for the FYE 31 December 2014, with the US, being the biggest market and contributing approximately 80.48% of our Group's total revenue.

Based on the audited results for the FYE 31 December 2014, we incurred an LAT of RM23.44 million.

FYE 31.12.2014	Invest-ment	Moulded power supply cord sets	Wire & cable trading	Auto-motive	Mining	Direct sales	Travel	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External revenue	610	172,914	13,930	660	2,083	182	648	191,027

FYE 31.12.2014	Invest-ment	Moulded power supply cord sets	Wire & cable trading	Auto-motive	Mining	Direct sales	Travel	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results								
(Loss)/profit from operations	(8,055)	(2,495)	312	(4,196)	(3,015)	(1,213)	81	(18,581)
Finance cost	(3)	(3,876)	(708)	-	(5)	-	-	(4,592)
Share in loss of associate	(74)	-	-	-	-	-	-	(74)
(LBT)/PBT	**(8,132)**	**(6,371)**	**(396)**	**(4,196)**	**(3,020)**	**(1,213)**	**81**	**(23,247)**
(LAT)/PAT	**(8,070)**	**(6,323)**	**(696)**	**(4,196)**	**(3,020)**	**(1,213)**	**81**	**(23,437)**

The LAT was attributable from the:

- manufacturing of moulded power supply cord sets division of RM6.32 million, which losses were due to lower revenue as a result of competition from China made products, which lower contributions earned was unable to absorb the factory operation costs as well as high finance cost of RM3.88 million arising from PTHWG's interest cost for its term loan with Bank Negara Indonesia and trade financing facility with The Hongkong and Shanghai Banking Corporation Limited, Indonesia. The trade financing facility with The Hongkong and Shanghai Banking Corporation Limited, Indonesia was fully settled in October 2014;
- wire and cable trading division of RM0.70 million, which losses were due to lower revenue (2013: RM18.1 million) and thin profit margin as a result of fewer launching of new real estate projects arising from a softening property market;
- tin mining division of RM3.02 million, which losses were due to low production output of 51 metric tonnes of tin concentrates arising from insufficient working capital to clear the top soil, resulting in the inability to cover the site operation costs;
- automotive division of RM4.20 million, which losses were due to low unit sales as financial institutions were selective in providing consumer loans and impairment loss for goodwill of RM3.03 million. This division was disposed on 25 March 2015;
- direct sales division of RM1.21 million, which losses were due to pre-opening/set-up expenses. This division was disposed on 30 November 2015;
- Company level operating loss of RM4.06 million, which losses were due to administrative expenses such as salaries and overheads;
- impairment loss on marked-to-market price on "Available-For-Sale" financial asset of RM2.54 million in respect of our Group's investment in quoted shares, Ding He Mining Holdings Limited which had incurred LAT for the past 5 years;
- allowance for doubtful debts of RM0.76 million; and
- loss on disposal of investment factory building of RM0.62 million in Kulim, which tenant was not renewing its tenancy and new tenants were unlikely to be immediately found. Proceeds from the disposal was utilised to pare-down bank borrowings.

The manufacturing operations of our Group's moulded power supply cord sets and wires and cables is facing a challenging environment in view of the intense competition from China made products in the US market, rising inflationary cost in Indonesia, especially the compulsory annual increment of wages and salaries, high volatility of raw materials prices of copper rod and PVC, high borrowing costs in Indonesia and additional working capital requirement. To improve the performance, we had implemented semi-automated production cycles and replaced old machineries in stages to our manufacturing division to reduce manpower cost and to improve production efficiency. We are also undertaking research & development of new products with higher margins, such as portable handheld lamps using incandescent/fluorescent/built-in LED bulbs, utility work light and cord management sets and have plans to penetrate new markets for housing wires to Thailand and Indonesia as these countries have higher gross domestic products.

On the tin mining division, the increase in tin concentrates output has been encouraging. In the year 2015, a total of 261* metric tonnes of tin concentrates were produced, exceeding the production in 2014 of 51 metric tonnes. Resulting therefrom, revenue from tin mining for the year 2015 was approximately RM8.49 million.

* Unrefined tin concentrates. Pricing quoted on the Kuala Lumpur Tin Market is based on refined tin concentrates.

Whilst there is a gradual reduction of domestic consumption of tin by tin-based industries due to lower demand and use of tin metal for domestic manufacturing, the outlook of the tin mining industry in Malaysia is expected to be supported by demand from the widespread applications of the tin metal and the miniaturisation trend in consumer electronics.

Our Group is also in the business of providing travel services such as corporate sales and incentive tours. With the supportive outlook of the tourism and travel related services industry, stemming from encouraging support from the Malaysian government, active involvement of industry players in MATTA FAIR® organised by the Malaysian Association of Tour & Travel Agents as well as the advent of online marketing channel launched, our Group intends to ride on the growth of the tourism and travel related industry to expand our travel services.

The Rights Issue with Warrants is undertaken by our Company to considerably reduce our Group's USD denominated debt burden. Our Board expects 2016 to be a challenging year as our Group continues with our debt reduction efforts and position ourselves for the challenges ahead.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

The effects of the Rights Issue with Warrants on our share capital, consolidated earnings and EPS, dividends, substantial shareholders' shareholdings, NA and gearing are as follows:

8.1 Share capital

The effects of the Rights Issue with Warrants on our issued and paid-up share capital are set out below:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	**RM**	**No. of Shares**	**RM**
Existing issued and paid-up capital as at the LPD[(1)]	601,145,044	30,057,252	601,145,044	30,057,252
Shares to be issued assuming full exercise of the outstanding Warrants 2011/2016 prior to the Entitlement Date	-	-	11,848,032	592,401
Shares to be issued assuming full exercise of the outstanding Existing ESOS options prior to the Entitlement Date	-	-	4,605,273	230,264
	601,145,044	**30,057,252**	**617,598,349**	**30,879,917**
Shares to be issued pursuant to the Rights Issue with Warrants	200,000,000	10,000,000	617,598,349	30,879,917

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
After the Rights Issue with Warrants	801,145,044	40,057,252	1,235,196,698	61,759,834
Shares to be issued assuming full exercise of the Warrants	160,000,000	8,000,000	494,078,679	24,703,934
Enlarged share capital	**961,145,044**	**48,057,252**	**1,729,275,377**	**86,463,768**

Note:

(1) After the Par Value Reduction.

8.2 Earnings and EPS

As the Rights Issue with Warrants is expected to be completed by the first quarter of 2016, there will be no material effect on our Group's consolidated earnings and EPS for the FYE 31 December 2015.

The proceeds from the Rights Issue with Warrants are earmarked to finance our primary payment to Daewoo and repayment of borrowings. The interest savings arising from the repayment of the borrowings and early settlement to Daewoo will translate to an improvement to our Group's earnings. The early settlement to Daewoo of RM15.06 million under the minimum subscription would allow our Group to enjoy interest savings of approximately RM0.24 million for the FYE 31 December 2016 whilst repayment of bank borrowings of RM31.78 million would allow our Group to enjoy interest savings of approximately RM2.39 million per annum for the FYE 31 December 2016.

However, our consolidated EPS may be proportionately diluted as a result of the increase in the number of our ordinary shares in issue after the Rights Issue with Warrants. For illustrative purposes, based on our Group's latest financial statements for the FYE 31 December 2014, the pro forma effects of the Rights Issue on the earnings and EPS of our Group are as follows:

	Audited 31.12.2014 RM'000	I Adjustment for subsequent events[(1)(2)] RM'000	II After I and the Rights Issue with Warrants RM'000	III After II and full exercise of Warrants RM'000
LAT attributable to owners of HWGB	(21,586)	(21,586)	(21,586)	(21,586)
			Minimum Scenario	
No. of shares ('000)	591,033	601,145	801,145	961,145
Basic LPS (sen)[(3)]	(3.65)	(3.60)	(2.69)	(2.25)
			Maximum Scenario	
No. of shares ('000)	591,033	601,145	1,235,197	1,729,275
Basic LPS (sen)[(3)]	(3.65)	(3.60)	(1.75)	(1.25)

Notes:

(1) 10,111,699 existing warrants 2010/2015 were exercised into 10,111,699 new HWGB shares, at an exercise price of RM0.20 per warrant 2010/2015 subsequent to 31 December 2014. The warrants 2010/2015 expired on 8 April 2015.

(2) After incorporating the Par Value Reduction which was completed on 7 January 2016.

(3) Calculated based on LAT attributable to owners of HWGB for the FYE 31 December 2014 divided by the total number of HWGB Shares issued.

8.3 Existing convertible securities

As at the LPD, save for the 11,848,032 existing Warrants 2011/2016 and 4,605,273 Existing ESOS options, our Company does not have any other convertible securities.

Pursuant to the Company's Existing ESOS by-laws dated 10 February 2010 and the deed poll dated 4 August 2011, which governs the terms and conditions of the Existing ESOS and the Warrants 2011/2016 respectively, the Rights Issue with Warrants may give rise to adjustments to the subscription/exercise prices and the number of outstanding Existing ESOS options/Warrants 2011/2016. The adjustments will be made to mitigate any potential equity dilution resulting from the Rights Issue with Warrants to ensure that the status of the holders of the Existing ESOS and the existing holders of the outstanding Warrants 2011/2016 are not prejudiced after the Rights Issue with Warrants.

Any necessary adjustment arising from the Rights Issue with Warrants in relation to the outstanding Existing ESOS options, if any and Warrants 2011/2016 will only be finalised on the Entitlement Date for the Rights Issue with Warrants. Details on the actual adjustments to the outstanding Existing ESOS options and Warrants 2011/2016 shall be announced at a later date and shall be set out in a notice of adjustments to the:

(a) entitled employees, if any, for the outstanding Existing ESOS options, which shall be despatched within 10 market days of such adjustments; and
(b) holders of Warrants 2011/2016, if any, for the outstanding Warrants 2011/2016, which shall be despatched within 21 market days of such adjustments.

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8.4 NA and gearing

Based on the audited consolidated financial statements of our Group as at 31 December 2014, the pro forma effect of the Rights Issue with Warrants on the NA and gearing of our Group is set out below:

8.4.1 Minimum Scenario

		I	II	III	IV
	Audited as at 31.12.2014	**Adjustment for subsequent events[(a)(b)(c)]**	**After I and assuming none of the Warrants 2011/2016 and Existing ESOS options vested are exercised**	**After II and the Rights Issue with Warrants**	**After III and the full exercise of Warrants**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Share capital	118,206	30,057	30,057	40,057[(2)]	48,057[(5)]
Share premium	21,606	21,606	21,606	20,806[(3)]	31,606
Revaluation reserve	6,577	6,577	6,577	6,577	6,577
ESOS reserve	352	279	-	-	-
Warrants reserve	13,640	2,956	2,956	10,653[(4)]	-
Foreign exchange reserve	(602)	(602)	(602)	(602)	(602)
Fair value adjustments reserve	(60)	(60)	(60)	(60)	(60)
Other reserve	(13,640)	(2,956)	(2,956)	(4,653)	-
Accumulated losses	(91,539)	(1,294)[(1)]	(1,015)	(1,015)	(1,015)
Shareholders' equity	54,540	56,563	56,563	71,763	84,563
No. of shares	591,033	601,145	601,145	801,145	961,145
Par value	0.20	0.05	0.05	0.05	0.05
NA per share	0.092	0.094	0.094	0.090	0.088
Bank borrowings	47,520	47,520	47,520	47,520	47,520
Gearing (times)	0.87	0.84	0.84	0.66	0.56

Notes:

(a) 10,111,699 existing warrants 2010/2015 were exercised into 10,111,699 new HWGB shares, at an exercise price of RM0.20 per warrant 2010/2015 subsequent to 31 December 2014. The warrants 2010/2015 expired on 8 April 2015.

(b) After incorporating the Par Value Reduction which was completed on 7 January 2016.

(c) Adjusted for the cancellation of Existing ESOS options arising from the resignation of certain eligible employees.

(1) After offsetting against the credit of RM90.17 million arising from the reduction of RM0.15 in the par value of 601,145,044 ordinary shares of RM0.20 to RM0.05 each. The Par Value Reduction was completed on 7 January 2016.

(2) Based on the issuance of 200,000,000 Rights Shares, at an issue price of RM0.08 per Rights Share.

(3) After deducting estimated expenses of RM800,000 incurred in relation to the Rights Issue with Warrants.

(4) Based on the issuance of 160,000,000 Warrants at an estimated allocated fair value of RM0.0481 per Warrant, which was arrived at based on the Black-Scholes option valuation model obtained from Bloomberg.

(5) Based on the issuance of 160,000,000 new HWGB Shares, arising from the full exercise of Warrants at an exercise price of RM0.08 per Warrant.

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8.4.2 Maximum Scenario

		I	II	III	IV
	Audited as at 31.12.2014	Adjustment for subsequent events[a][b][c]	After I and adjusted after taking into consideration the exercise of Warrants 2011/2016 and Existing ESOS options vested	After II and the Rights Issue with Warrants	After III and the full exercise of Warrants
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	118,206	30,057	30,880	61,760[2]	86,464[6]
Share premium	21,606	21,606	21,606	20,806[3]	54,156
Revaluation reserve	6,577	6,577	6,577	6,577	6,577
ESOS reserve	352	279	-	-	-
Warrants reserve	13,640	2,956	-	23,765[4]	-
Foreign exchange reserve	(602)	(602)	(602)	(602)	(602)
Fair value adjustments reserve	(60)	(60)	(60)	(60)	(60)
Other reserve	(13,640)	(2,956)	-	(5,237)	-
Accumulated losses	(91,539)	(1,294)[1]	(1,015)	(1,015)	(1,015)
Shareholders' equity	54,540	56,563	57,386	105,994	145,520
No. of shares	591,033	601,145	617,598	1,235,197	1,729,275
Par value	0.20	0.05	0.05	0.05	0.05
NA per share	0.092	0.094	0.093	0.086	0.084
Bank borrowings	47,520	47,520	47,520	15,744[5]	15,744
Gearing (times)	0.87	0.84	0.83	0.15	0.11

Notes:

(a) 10,111,699 existing warrants 2010/2015 were exercised into 10,111,699 new HWGB shares, at an exercise price of RM0.20 per warrant 2010/2015 subsequent to 31 December 2014. The warrants 2010/2015 expired on 8 April 2015.
(b) After incorporating the Par Value Reduction which was completed on 7 January 2016.
(c) Adjusted for the cancellation of Existing ESOS options arising from the resignation of certain eligible employees.
(1) After offsetting against the credit of RM90.17 million arising from the reduction of RM0.15 in the par value of 601,145,044 ordinary shares of RM0.20 to RM0.05 each. The Par Value Reduction was completed on 7 January 2016.
(2) Based on the issuance of 617,598,349 Rights Shares at an issue price of RM0.08 per Rights Share.
(3) After deducting estimated expenses of RM800,000 incurred in relation to the Rights Issue with Warrants.
(4) Based on the issuance of 494,078,679 Warrants at an estimated allocated fair value of RM0.0481 per Warrant, which was arrived at based on the Black-Scholes option valuation model obtained from Bloomberg.
(5) After paring down bank borrowings pursuant to the utilisation of proceeds.
(6) Based on the issuance of 494,078,679 new HWGB Shares, arising from the full exercise of Warrants at an exercise price of RM0.08 per Warrant.

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8.5 Substantial shareholders' shareholdings

The effect of the Rights Issue with Warrants on the shareholdings of our substantial shareholders is set out below:

Minimum Scenario

	As at the LPD				I Assuming none of the Warrants 2011/2016 and Existing ESOS options vested are exercised				II After I and the Rights Issue with Warrants(2)				III After II and the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of shares '000	%	No. of shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Kintron	50,843	8.46	-	-	50,843	8.46	-	-	250,843	31.31	-	-	410,843	42.75	-	-
Dato' Lim Ooi Hong(1)	-	-	50,843	8.46	-	-	50,843	8.46	-	-	250,843	31.31	-	-	410,843	42.75
Lim Wee Kiat(1)	-	-	50,843	8.46	-	-	50,843	8.46	-	-	250,843	31.31	-	-	410,843	42.75

Maximum Scenario

	As at the LPD				I Adjusted after taking into consideration the exercise of Warrants 2011/2016 and Existing ESOS options(3)				II After I and the Rights Issue with Warrants(5)				III After II and the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of shares '000	%	No. of shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Kintron	50,843	8.46	-	-	50,843	8.23	-	-	101,686	8.23	-	-	142,360	8.23	-	-
Dato' Lim Ooi Hong(1)	-	-	50,843	8.46	-	-	50,843	8.23	-	-	101,686	8.23	-	-	142,360	8.23
Lim Wee Kiat(1)	-	-	50,843	8.46	452(4)	0.07	50,843	8.23	904	0.07	101,686	8.23	1,266	0.07	142,360	8.23

Notes:

(1) Deemed interested through Kintron by virtue of Section 6A(4)(c) of the Act.
(2) Based on the issuance of 200,000,000 Rights Shares together with 160,000,000 Warrants pursuant to Kintron's Undertaking.
(3) Assuming all of the 11,848,032 outstanding Warrants 2011/2016 and 4,605,273 Existing ESOS options vested are exercised into new HWGB shares prior to the Entitlement Date.
(4) After taking into consideration the exercise of his Existing ESOS options.
(5) Based on the issuance of 617,598,349 Rights Shares together with 494,078,679 Warrants.

8.6 Dividends

The Rights Issue with Warrants is not expected to affect the dividend policy of our Company as future dividends payable by our Company would be dependent on inter-alia, the future profitability and cashflow position of our Group.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration of the proceeds from the Rights Issue with Warrants, cash in hand, cashflow generated from our operations and banking facilities available, our Group will have adequate working capital to meet our business requirements due within a period of twelve (12) months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group had total outstanding borrowings as follows:

Fixed rate interest bearing borrowings:

Currency	**USD'000**	**RM'000**
Short-term borrowings	-	4,526
Long-term borrowings	6,609	-
Total	**6,609**	**4,526**

Save as disclosed in Section 5 above for the restructuring of payment given to PTHWG by Daewoo as a trade creditor, there has not been any default on payments of either interest or principal sums by our Group, in respect of any borrowings during the FYE 31 December 2014 and for the subsequent financial periods up to the LPD.

9.3 Material commitments

As at the LPD, our Board, confirms that there is no material commitment, incurred or known to be incurred, which may have a material impact on the results or financial position of our Group as at the LPD.

9.4 Contingent liabilities

Save as disclosed below, as at the LPD, our Board, confirms that there is no other contingent liabilities incurred or known to be incurred which upon becoming enforceable, may have a material impact on the profit after taxation or NA of our Group.

	USD'000	**RM'000**
Corporate guarantees given in respect of credit facilities granted to our subsidiaries to:		
• local financial institutions	-	4,990
• trade creditor	7,024	-
Total	**7,024**	**4,990**

10. TERMS AND CONDITIONS

The issuance of the Rights Shares together with the Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, the NPA and RSF enclosed herewith.

11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of,
HO WAH GENTING BERHAD

DATUK TEO TIEW
Group Executive Chairman

CERTIFIED EXTRACT OF RESOLUTIONS IN CONNECTION WITH THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 12 NOVEMBER 2015

HO WAH GENTING BERHAD

(Company No. 272923-H)
(Incorporated in Malaysia)

EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 12 NOVEMBER 2015

SPECIAL RESOLUTION 1

PROPOSED PAR VALUE REDUCTION OF THE EXISTING ISSUED AND PAID-UP SHARE CAPITAL OF HWGB FROM RM120,229,008.80 COMPRISING 601,145,044 ORDINARY SHARES OF RM0.20 EACH TO RM30,057,252.20 COMPRISING 601,145,044 ORDINARY SHARES OF RM0.05 EACH ("HWGB SHARES") PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 ("PROPOSED PAR VALUE REDUCTION")

RESOLVED THAT subject to the confirmation of the High Court of Malaya ("Court") and the passing of Special Resolution 2 and the approvals from the relevant authorities being obtained where necessary, approval be and is hereby given to the Directors of the Company to reduce the issued and paid-up share capital of HWGB from RM120,229,008.80 comprising 601,145,044 ordinary shares of RM0.20 each to RM30,057,252.20 comprising 601,145,044 ordinary shares of RM0.05 each via the cancellation of RM0.15 from the existing par value of RM0.20 of each HWGB share pursuant to Section 64 of the Companies Act, 1965;

AND THAT such credit arising from the Proposed Par Value Reduction shall be applied towards reducing the accumulated losses of the Company as at the effective date of the Proposed Par Value Reduction and the remaining balance (if any), will be credited to a non-distributable capital reserve account of the Company, which may be utilised as if it were share premium and/or towards setting off future losses, and/or capitalisation of such reserve for future corporate exercises in such manner as the Directors of the Company deem fit and as permitted by applicable laws;

AND THAT any Director of the Company be and is hereby authorised with full powers to take all such steps as they may deem necessary to:-

(i) assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities and/or the Court;

(ii) lodge an office copy of the order of the Court referred to in this Special Resolution 1 with the Companies Commission of Malaysia on such date the Directors may determine; and

(iii) do all such acts, deeds and/or things and execute, sign and deliver all documents for and on behalf of the Company incidental and/or as may be required or as they consider necessary and expedient in the best interest of the Company, to give full effect to and complete the matters described in this Special Resolution 1.

Certified True Copy of the Original

....

CHIN QUAN LYNN
Advocate & Solicitor
Selangor
C/1291

TAN, GOH & ASSOCIATES
Unit 821, 8th Floor, Block A
Lift Lobby 6, Damansara Intan
No. 1, Jalan SS 20/27
47400 Petaling Jaya, Selangor
Tel: 03-7727 7228 Fax: 03-7731 9238
Email: petalingjaya@tangoh.com.my

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENTS")

RESOLVED THAT, subject to the passing of Special Resolution 1, the Memorandum and Articles of Association of the Company be amended as follows:

Memorandum of Association		
Clause No.	**Existing Provision**	**Proposed Amended Provision**
5	The capital of the Company is Ringgit Malaysia Five Hundred Million (RM500,000,000) divided into **Two Billion Five Hundred Million (2,500,000,000)** shares of **RM0.20** each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	The capital of the Company is Ringgit Malaysia Five Hundred Million (RM500,000,000) divided into **Ten Billion (10,000,000,000)** shares of **RM0.05** each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

Articles of Association		
Clause No.	**Existing Provision**	**Proposed Amended Provision**
3	The present authorised share capital of the Company is Ringgit Malaysia Five Hundred Million (RM500,000,000) divided into **Two Billion Five Hundred Million (2,500,000,000)** shares of **RM0.20** each.	The present authorised share capital of the Company is Ringgit Malaysia Five Hundred Million (RM500,000,000) divided into **Ten Billion (10,000,000,000)** shares of **RM0.05** each.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and execute all necessary documents with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authorities and to take all steps as they may deem necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments.

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 617,598,349 NEW ORDINARY SHARES OF RM0.05 EACH IN HWGB ("RIGHTS SHARES") TOGETHER WITH UP TO 494,078,679 NEW FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) HWGB SHARE HELD AFTER THE PROPOSED PAR VALUE REDUCTION, TOGETHER WITH FOUR (4) WARRANTS FOR EVERY FIVE (5) RIGHTS SHARES SUBSCRIBED ON A DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") AND AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

RESOLVED THAT, subject to the passing of Special Resolutions 1 and 2, and subject further to the approval of all relevant authorities, including but not limited to the approval-in-principle being obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for all the Rights Shares and Warrants to be issued hereunder and all the new HWGB Shares to be issued arising from the exercise of the Warrants (whether in its original form or with or subject to any condition, modification, variation and/or amendment imposed by Bursa Securities), approval be and is hereby given to the Directors of the Company to:

(a) determine the final issue price of the Rights Shares and exercise price of the Warrants after taking into consideration, amongst others, the new par value of HWGB Shares and the prevailing market conditions prior to the price-fixing date to be determined later;

(b) allot and issue by way of a renounceable rights issue of up to 617,598,349 Rights Shares, to the shareholders of HWGB whose names appear in the record of depositors as at the close of business on an entitlement date to be determined by the Directors and to be announced by the Company ("Entitled Shareholders") on the basis of one (1) Rights Share for every one (1) existing HWGB Share held at an issue price to be determined later;

(c) allot and issue up to 494,078,679 free Warrants to those Entitled Shareholders who have successfully applied for the Rights Shares on the basis of four (4) Warrants for every five (5) Rights Shares successfully subscribed;

(d) constitute the Warrants upon the terms and conditions of a deed poll to be executed by HWGB ("Deed Poll"), the principal terms of which are set out in Section 2.2.8, of the Circular to Shareholders dated 20 October 2015 ("Circular") and wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with the Deed Poll, at any time during the exercise period, for one (1) HWGB Share at an exercise price to be determined later;

(e) allot and issue such number of additional Warrants pursuant to the adjustments under the Deed Poll and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions in the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed/ required/ permitted by Bursa Securities and any other relevant authorities or parties or otherwise; and

(f) allot and issue such number of new HWGB Shares arising from the exercise of the Warrants during the tenure of the Warrants;

AND THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s) and such excess Rights Shares shall be allocated in a fair and equitable manner on a basis to be determined by the Directors of the Company in their absolute discretion and announced later by the Company;

AND THAT the Directors of the Company be and are hereby empowered and authorised to deal with any fractional entitlements that may arise from the Proposed Rights Issue with Warrants in such manner and on such terms and conditions as the Directors of the Company in their absolute discretion as they may deem fit or think expedient or in the best interest of the Company;

AND THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 2.2.9 of the Circular, and the Directors of the Company be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors of the Company may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

AND THAT the Rights Shares and the new HWGB Shares to be issued pursuant to the exercise of the Warrants shall upon allotment, rank *pari passu* in all respects with the then existing HWGB Shares, save and except that they will not entitle its holders any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Rights Shares and the new HWGB Shares to be issued arising from the exercise of the Warrants;

AND THAT the Rights Shares with Warrants and the new HWGB Shares to be issued pursuant to the exercise of the Warrants shall be listed on Bursa Securities;

AND THAT the Directors of the Company be and are hereby authorised to enter into and execute the Deed Poll upon the terms set out in the Circular with full powers to assent to any conditions, variations, modifications and/or amendments as may be imposed or permitted by the relevant authorities or as may be deemed necessary by the Directors of the Company, and, subject to all provisions and adjustments contained in the Deed Poll, to assent to any modification and/or amendment to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as a consequence of any adjustments under the provisions of the Deed Poll, with full powers to implement and give effects to the terms and conditions of the Deed Poll, and to take all steps as they may deem fit or expedient in order to implement, finalise and give full effect to the Deed Poll;

AND THAT the Directors of the Company be and are hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments as may be required by any relevant authorities or deemed necessary by the Directors of the Company in the best interest of the Company, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants.

CERTIFIED TRUE COPY

DATUK TEO TIEW
Company Director

HONG KIM HEONG
(MAICSA 7019696)
Company Secretary

Date: 29 January 2016

SALIENT TERMS OF THE WARRANTS

Terms		Details
Issue Size	:	Up to 494,078,679 Warrants to be subscribed for up to 494,078,679 new HWGB Shares to be issued to the Entitled Shareholders pursuant to the Rights Issue with Warrants.
Detachability	:	The Warrants which are to be issued pursuant to the Rights Issue with Warrants are immediately detachable upon allotment and issuance of the Rights Shares. The Warrants will be traded separately.
Deed Poll	:	The Warrants will be constituted by a deed poll executed by HWGB.
Exercise Price	:	The exercise price of the Warrants is RM0.08.
Exercise Period	:	The Warrants may be exercised at any time during the tenure of the Warrants for the period commencing from the date of issuance of the Warrants and ending at the close of business at 5.00 p.m. in Kuala Lumpur on the date preceding the fifth anniversary of the date of issuance, if such date is not a Market Day, then it shall be the next market day immediately after the said non-Market Day. The rights attached to the Warrants which are not exercised during the Exercise Period will thereafter lapse.
Mode of Exercise	:	The holder of Warrants is required to lodge an exercise form with our Company's share registrar, duly completed and signed together with payment of the Exercise Price by banker's draft or cashier's order drawn on a bank operating in Malaysia or by money order or postal order issued by a post office.
Exercise Rights	:	Each Warrant entitles the registered Warrant holder to subscribe for one (1) new HWGB Share at the Exercise Price during the Exercise Period and shall be subject to adjustments in accordance with the provisions of the Deed Poll.
Mode of Transfer	:	The Warrants are transferrable in the manner and according to the provisions of the Deed Poll, Securities Industry (Central Depositories) Act 1991, as amended from time to time and all regulations made thereunder and any re-enactment thereof and the rules of Bursa Depository.
Board Lot	:	The Warrants are tradeable upon listing in board lots of 100 units carrying rights to subscribe for 100 new HWGB Shares at any time during the Exercise Period or such denominations as may be prescribed by Bursa Securities.
Status of new HWGB Shares to be issued pursuant to the exercise of the Warrants	:	All new HWGB Shares to be issued arising from the exercise of the Warrants shall, upon allotment, rank pari passu in all respects with the then existing HWGB Shares save and except that such new HWGB Shares will not entitle its holders to any dividends, rights, allotments, and/or other distributions which may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the relevant date of allotment of the new HWGB Shares arising from the exercise of the Warrants.

Terms		Details
Rights of the Warrant holders	:	The Warrant holders are not entitled to vote in any general meeting of our Company or to participate in any distribution and/or offer of further securities to the shareholders of our Company unless and until the Warrant holders become shareholders by exercising their respective Warrants in accordance with the terms and conditions as set out in the Deed Poll.
Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	Where a resolution has been passed for a member's voluntary winding up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: (a) our Company shall give notice to the Warrant holders within twenty one (21) market days or such other time period as may be prescribed by Bursa Securities or such other relevant authorities from time to time, of such a resolution in accordance with the Deed Poll; (b) for the purpose of such winding up, compromise or arrangement to which the Warrant holders or some persons designated by them for such purposes by a special resolution will be a party, the terms of such winding up, compromise or arrangement will be binding on all the Warrant holders; and (c) in any other case, every Warrant holder shall be entitled within six (6) weeks after the passing of such resolution for a member's voluntary winding-up of our Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrants to our Company by submitting the duly completed exercise form authorising the debiting of his Warrants together with payment of the relevant exercise price by banker's draft (such payment being free of any foreign exchange commission, remittance charges or other deductions), to elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement exercised the exercise rights represented by the Warrant to the extent specified in the exercise form and be entitled to receive out of the assets of our Company which would be available in liquidation if he had on such date been the holder of the new shares to which he would have become entitled pursuant to such action, and the liquidator of our Company will give effect to such election accordingly. If our Company is wound up, all exercise rights which have not been exercised within six (6) weeks of the passing of such resolution, shall lapse and the Warrants shall cease to be valid for any purpose.
Modification of rights of Warrant holder	:	Save as otherwise provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant holders.
Adjustments in the exercise price and/or number of Warrants	:	The Exercise Price and/or the number of Warrants held by each Warrant holder may from time to time be adjusted in the event of any alteration to the share capital of our Company in accordance with the provisions as set out in the Deed Poll.

Terms		Details
Further Issues	:	Subject to the provisions of the Deed Poll, our Company will be at liberty to issue shares or other securities convertible into shares to shareholders either for cash or as bonus distribution and further subscription rights upon such terms and conditions as our Company sees fit. Warrant holders will not have any participating rights in such issue unless the Warrant holder becomes a shareholder by exercising his Exercise Rights or otherwise resolved by our Company in general meeting.
Listing	:	The Warrants will be listed on the Main Market of Bursa Securities.
Governing Law	:	Laws of Malaysia.

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INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act on 12 August 1993 as a public limited company. Our Company was listed on the then Second Board of Kuala Lumpur Stock exchange (now known as Bursa Securities) on 28 December 1994 and thereafter transferred to the Main Board of Bursa Securities (currently known as Main Market of Bursa Securities) on 2 November 2000.

The principal activity of our Company is investment holding and the provision of management services. The principal activities of our subsidiaries are disclosed in Section 5 below.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital is as follows:-

Type	No. of Shares	Par value RM	Total RM
Authorised	10,000,000,000	0.05	500,000,000.00
Issued and fully paid-up share capital	601,145,044	0.05	30,057,252.20

Changes in Issued and Paid-Up Share Capital

As at the LPD, the changes in our issued and paid-up share capital for the past three (3) years are as follows:

Date of allotment	No. of shares	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
01.01.2013	-	0.20	Balance b/f	107,417,529
14.01.2013	197,300	0.20	Exercise of Existing ESOS options	107,456,989
11.06.2013	53,728,400	0.20	Private placement at RM0.255 per share	118,202,669
17.12.2013	20,000	0.20	Exercise of Existing ESOS options	118,206,669
19.03.2015	3,034	0.20	Exercise of warrants 2010/2015	118,207,275.80
25.03.2015	13,920	0.20	Exercise of warrants 2010/2015	118,210,059.80
30.03.2015	44,847	0.20	Exercise of warrants 2010/2015	118,219,029.20

Date of allotment	No. of shares	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
02.04.2015	1,031	0.20	Exercise of warrants 2010/2015	118,219,235.40
06.04.2015	10,048,867	0.20	Exercise of warrants 2010/2015	120,229,008.80
07.01.2016	601,145,044	0.05	Par Value Reduction	30,057,252.20

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3. BOARD OF DIRECTORS

The age, profession, designation, nationalities and addresses of our Board are set out under the Corporate Directory on Board of Directors of this Abridged Prospectus. The pro forma effects of the Rights Issue with Warrants on the shareholdings of our Board based on the Register of Directors are as follows:

	As at the LPD				I Assuming none of the Warrants 2011/2016 and Existing ESOS options vested are exercised				II After I and the Rights Issue with Warrants[2]				III After II and full exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Minumum Scenario	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Datuk Teo Tiew	100	0.02	-	-	100	0.01	-	-	100	0.01	-	-	100	0.01	-	-
Dato' Lim Ooi Hong[1]	-	-	50,843	8.46	-	-	50,843	8.46	-	-	250,843	31.31	-	-	410,843	42.75
Lim Wee Kiat[1]	-	-	50,843	8.46	-	-	50,843	8.46	-	-	250,843	31.31	-	-	410,843	42.75
Dato' Mohd Shahar bin Abdul Hamid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tee Lay Peng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wong Tuck Jeong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Elaine Tan Ai Lin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	As at the LPD				I Adjusted after taking into consideration the exercise of Warrants 2011/2016 and Existing ESOS options[3]				II After I and the Rights Issue with Warrants[6]				III After II and full exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Maximum Scenario	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Datuk Teo Tiew	100	0.02	-	-	1,139[4]	0.18	-	-	2,278	0.18	-	-	3,189	0.18	-	-
Dato' Lim Ooi Hong[1]	-	-	50,843	8.46	-	-	50,843	8.23	-	-	101,686	8.23	-	-	142,360	8.23
Lim Wee Kiat[1]	-	-	50,843	8.46	452[5]	0.07	50,843	8.23	904	0.07	101,686	8.23	1,266	0.07	142,360	8.23
Dato' Mohd Shahar bin Abdul Hamid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tee Lay Peng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wong Tuck Jeong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Elaine Tan Ai Lin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

(1) Deemed interested through Kintron by virtue of Section 6A(4)(c) of the Act.
(2) Based on the issuance of 200,000,000 Rights Shares together with 160,000,000 Warrants pursuant to Kintron's Undertaking.
(3) Assuming all of the 11,848,032 outstanding Warrants 2011/2016 and 4,605,273 Existing ESOS options vested are exercised into new HWGB shares prior to the Entitlement Date.
(4) After taking into consideration the exercise of his 1,027,668 Existing ESOS options and 11,000 Warrants 2011/2016.
(5) After taking into consideration the exercise of his 452,174 Existing ESOS options.
(6) Based on the issuance of 617,598,349 Rights Shares together with 494,078,679 Warrants.

4. SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders, the pro forma effects of the Rights Issue with Warrants on our Substantial Shareholders' shareholdings are as set out in Section 8.5 of this Abridged Prospectus.

5. SUBSIDIARIES

We do not have any associated company. Our subsidiaries as at the LPD are as follows:-

Name	Date and place of incorporation	Issued and paid-up capital	Effective ownership %	Principal activities
Ho Wah Genting Trading Sdn Bhd	21.07.1992 Malaysia	RM7,500,000	100	Trading of wire and cable products
Ho Wah Genting Kintron Sdn Bhd	30.09.1989 Malaysia	RM15,500,000	100	Providing services to various industries including wire and cable assemblies and installations, lighting assemblies, the wholesaling of electrical goods, the distribution of electrical parts and electrical components
PTHWG	02.07.2001 Indonesia	USD8,000,000	100	Manufacturing of wires and cables, moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment
Ho Wah Genting Holiday Sdn Bhd	05.09.1990 Malaysia	RM6,000,000	99	Travel agent and tour related services

Name	Date and place of incorporation	Issued and paid-up capital	Effective ownership %	Principal activities
HWG Travel (MM2H) Sdn Bhd	14.02.2006 Malaysia	RM50,000	70	Rendering personalised services such as immigration matters under the "Malaysia My Second Home" Programme to any person setting up their second home in Malaysia
HWG Tin Mining Sdn Bhd	07.07.2007 Malaysia	RM2,000,000	51	Tin mining and its related activities
HWG Minerals Sdn Bhd	22.09.2006 Malaysia	RM18,000,000	100	Investment holding
Ho Wah Genting (Labuan) Ltd	18.12.1997 Malaysia	USD20,000	100	Dormant
HWG Consortium Sdn Bhd	18.06.2012 Malaysia	RM100,000	70	Dormant
HWG Resources Sdn Bhd *(formerly known as Skyflower Sdn Bhd)*	12.06.2013 Malaysia	RM2	100	Dormant
Rex Oriental Sdn Bhd	01.08.2013 Malaysia	RM400,000	100	Investment holding

6. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements for the FYE 31 December 2012 to 2014 and nine (9)-month unaudited FPE 30 September 2014 and 2015 are as follows:

	Audited ←-----------FYE 31 December-----→			Unaudited nine (9)-month 30 September	
	2012 RM'000	**2013 RM'000**	**2014 RM'000**	**2014 RM'000**	**2015 RM'000**
Revenue	243,567	229,197	191,027	152,233	147,307
(Loss) before taxation	(34,139)	(25,823)	(23,247)	(11,444)	(13,787)
Add:					
Finance costs	5,041	4,688	4,592	3,471	2,422
Depreciation and amortisation	8,421	6,897	4,496	3,588	2,949

	Audited ←-----------FYE 31 December-----→ 2012 RM'000	2013 RM'000	2014 RM'000	Unaudited nine (9)-month 30 September 2014 RM'000	2015 RM'000
Less:					
Interest income	136	68	17	10	89
(Loss) before interest, taxation, depreciation, and amortisation	**(20,813)**	**(14,306)**	**(14,176)**	**(4,395)**	**(8,505)**
Other income	3,959	6,990	5,839	3,697	9,719
Taxation	-	(300)	(190)	-	(16)
(LAT)	(34,139)	(26,123)	(23,437)	(11,444)	(13,803)
(LAT) attributable to the owners of the Company	(32,519)	(24,431)	(21,586)	(10,390)	(11,841)
Number of ordinary shares in issue ('000)	537,088	591,033	591,033	591,033	601,145
Gross profit/(gross loss)	5,276	745	902	3,377	(4,634)
Gross profit/(gross loss) margin (%)	2.17	0.33	0.47	2.22	(3.15)
Basic (LPS) (sen)	(6.12)	(4.31)	(3.65)	(1.76)	(1.97)
Share of profit and loss of associate and joint ventures	(15)	(10)	(74)	(55)	-
Dividend per share (sen)	n/a	n/a	n/a	n/a	n/a

Note:

n/a Not applicable.

Commentary on financial performance

FYE 31 December 2012

For the FYE 31 December 2012, our Group recorded revenue of RM243.57 million, representing a slight decrease of approximately 1.25% as compared to the preceding year's revenue of RM246.66 million. Our Group registered a LBT of RM34.14 million for the FYE 31 December 2012 from a LBT of RM11.23 million in the preceding year, mainly attributable to an impairment loss of RM21.16 million on marked-to-market price on "Available-For-Sale" in respect of our Group's investment in quoted shares in Ding He Mining Holdings Limited. The LAT of Ding He Mining Holdings Limited widened from HKD212.85 million for the FYE 31 December 2011 to HKD664.58 million for the FYE 31 December 2012.

Moulded power supply cord sets
Both revenue and LBT decreased to RM190.41 million and RM5.37 million respectively (2011: Revenue RM192.10 million; LBT RM4.19 million) as compared to the preceding financial year. The weak consumer spending in the US due to the decline in household income and high unemployment rate as well as sluggish housing market had resulted in lower revenue in this division. The deterioration in margin, high trade financing costs and inflationary cost pressure in the division further worsened its performance as compared to the preceding year.

Wire and cable
Revenue decreased 13.21% from RM51.86 million to RM45.01 million due to cautious demand for real properties. The division also recorded a lower PAT of RM0.46 million as compared to RM1.12 million in the preceding year due to loss on foreign exchange of RM0.37 million (2011: RM0.38 million gain on foreign exchange) and a one-off recognition of previously unrecognised deferred tax assets of RM0.60 million in the preceding year.

Tin mining
Revenue from tin mining division increased to RM7.51 million (2011: RM2.06 million) due to a higher tin output of 221 metric tonnes (2011: 62 metric tonnes). The higher revenue reduced the LBT from RM8.84 million in the FYE 31 December 2011 to RM3.07 million in the FYE 31 December 2012.

FYE 31 December 2013

For the FYE 31 December 2013, our Group recorded revenue of RM229.20 million, representing a decrease of approximately 5.90% as compared to the preceding financial year's revenue of RM243.57 million. The lower revenue recorded in the FYE 31 December 2013 was mainly due to lower sales in the local housing wires arising from slower new construction of housing projects as Bank Negara Malaysia imposed stricter guidelines on housing lending and lower production output from tin mining of 56 metric tonnes (2012: 221 metric tonnes).

Our Group registered lower LBT of RM25.82 million for the FYE 31 December 2013 from a LBT of RM34.14 million in the preceding year, mainly due to lower impairment loss of RM10.92 million compared to RM21.16 million in the preceding year on "Available-For-Sale" quoted shares in Ding He Mining Holdings Limited as Ding He Mining Holdings Limited incurred lower LAT of HKD412.98 million (2012: HKD664.58 million).

Moulded power supply cord sets
Revenue increased 9.42% from RM190.41 million to RM208.35 million due to the demand in the housing market and higher employment rate in the US. However, the annual increase in mandatory monthly minimum wage in Indonesia from Rupiah 1,402,000 to Rupiah 2,162,400 per worker had resulted in higher cost of production and higher losses. The division recorded a LBT of RM6.35 million, arising from higher operating loss of RM2.06 million, up 298.26% from the preceding year and interest cost on financing of RM4.29 million.

Wire and cable
Revenue decreased 59.76% from RM45.01 million to RM18.11 million due to lower sales in the local housing wires arising from slower new construction of housing projects as Bank Negara Malaysia imposed stricter guidelines on housing lending. The division also recorded a LAT of RM0.26 million as compared to PAT of RM0.46 million in the preceding year due to lower operating profit, higher finance cost of RM0.39 million and after reversing the deferred tax assets of RM0.30 million previously recognised.

Tin mining
Revenue from tin mining division decreased to RM1.49 million (2012: RM7.51 million) due to a lower tin production output of 56 metric tonnes (2012: 221 metric tonnes) arising from insufficient working capital to clear the top soil, resulting in the inability to cover the site operation costs. The division recorded a LBT of RM3.04 million for the FYE 31 December 2013.

Automotive
On 8 November 2013, our Group ventured into automotive and spare parts trading via the acquisition of the entire equity interest in Rex Oriental Sdn Bhd, which had a 70% equity interest in Orient Sun Motors Sdn Bhd. The division recorded revenue of RM0.57 million and a LAT of RM0.08 million for the financial year.

FYE 31 December 2014

For the FYE 31 December 2014, our Group recorded revenue of RM191.03 million, representing a decrease of approximately 16.65% as compared to the preceding financial year's revenue of RM229.20 million. The lower revenue was due to high competition from China made products in the US market as well as lower sales of local housing wires as fewer new property projects were launched as a result of lower demand arising from stringent credit approvals imposed by financial institutions to end buyers.

Our Group's lower LBT of RM23.58 million from the preceding year of RM25.82 million was due to lower impairment loss of RM2.54 million as compared to the preceding year of RM10.92 million on "Available-For-Sale" quoted shares in Ding He Mining Holdings Limited. Ding He Mining Holdings Limited incurred lower LAT of HKD326.49 million (2013: HKD412.98 million). Included in the LAT was also an impairment of goodwill of RM3.03 million arising from the acquisition of a subsidiary, allowance for doubtful debts of RM0.76 million and loss on disposal of investment factory property of RM0.62 million in Kulim, which tenant was not renewing its tenancy and new tenants were unlikely to be immediately found. Proceeds from the disposal was utilised to pare-down bank borrowings.

Moulded power supply cord sets
Revenue decreased 17.0% from RM208.35 million to RM172.91 million as a result of competition from China made products, rising inflationary cost in Indonesia, especially the compulsory annual increment of wages and salaries, high volatility of raw materials prices of copper rod and PVC. The division recorded a LBT of RM6.37 million, arising from high finance cost of RM3.88 million for its term loan with Bank Negara Indonesia; and trade financing facility with The Hongkong and Shanghai Banking Corporation Limited, Indonesia, which was fully settled in October 2014.

Wire and cable
Revenue decreased 23.1% from RM18.11 million to RM13.93 million due to lower sales in the local housing wires as a result of fewer launching of new real estate projects arising from a softening property market. The division also recorded a LBT of RM0.40 million as compared to a PBT of RM0.04 million in the preceding year due to higher finance cost.

Tin mining
Revenue increased 39.6% to RM2.08 million (2013: RM1.49 million) due to higher purity of tin recover. The lower output of 51 metric tonnes was mainly due to insufficient working capital to clear the top soil (2013: 56 metric tonnes). The division recorded a LBT of RM3.02 million for the FYE 31 December 2014 as compared to LBT of RM3.04 million in the preceding year.

Automotive
Revenue increased 15.8% to RM0.66 million (2013: RM0.57 million). Though the revenue is higher for the FYE 31 December 2014, the figures are not comparable as the Group only accounts for this division's revenue from 8 November 2013 (date of acquisition) to 31 December 2013 in the preceding year. The division recorded a LBT RM4.20 million for the FYE 31 December 2014 as compared to a LBT RM0.08 million in the preceding year due to lower sales and impairment loss for goodwill of RM3.0 million. The disposal of this division was completed on 2 April 2015.

Direct sales
Revenue for this division stood at RM0.18 million (2013: RM nil) and LBT RM1.21 million. The high LBT for the FYE 31 December 2014 was due to pre-opening/set up expenses. However, this division was disposed on 30 November 2015.

FPE 30 September 2015

For the FPE 30 September 2015, our Group recorded revenue of RM147.31 million representing a decrease of 3.23% as compared to the preceding year corresponding period's revenue of RM152.23 million. The lower revenue recorded was mainly due to our Group's lower sales in moulded power supply cord sets division caused by intense competition from China made products and limitation of working capital. The higher revenue from tin mining division and the additional revenue from our Group's new divisions in travel services and direct sales, helped to sustain our Group's overall revenue.

Our Group recorded a higher LBT of RM13.79 million for the FPE 30 September 2015 as compared to a LBT of RM11.44 million for the FPE 30 September 2014 due mainly to lower contribution from the moulded power supply cord sets, which accounts for the major revenue of our Group.

Moulded power supply cord sets
Revenue decreased 13.4% from RM139.27 million to RM120.54 million as a result of intense competition from China made products and limitation of working capital. The division recorded a LBT of RM4.75 million for the FPE 30 September 2015 as compared to LBT of RM2.90 million for the FPE 30 September 2014. The higher LBT in the current FPE 30 September 2015 was due to lower contribution generated from lower revenue.

Wire and cable
Revenue decreased 6.81% from RM10.57 million to RM9.85 million due to lesser new real estate projects. The division also recorded a PBT of RM0.32 million as compared to LBT of RM0.21 million in the preceding year.

Tin mining
Revenue increased 324.8% from RM1.49 million for the FPE 30 September 2014 to RM6.33 million for the FPE 30 September due to higher tin output. A total of 199 metric tonnes of tin concentrates was produced for the FPE 30 September 2015 as compared to 34 metric tonnes in the preceding year's corresponding period. The division recorded a LBT of RM3.98 million for the FPE 30 September 2015 as compared to LBT of RM1.57 million in the preceding year's corresponding period. Though the total tin concentrates output and revenue were higher as compared to the preceding year's corresponding period, the tin mining division recorded higher losses due to higher cost arising from the increase in mining activities on the site.

Automotive
The disposal of this division was completed on 25 March 2015, as such, our Group had de-recognised all revenue and losses incurred by this division with effect from the date of the disposal.

Travel services and direct sales
This division recorded revenue of RM10.55 million and a LAT of RM2.33 million for the FPE 30 September 2015. The loss incurred was due to higher commission and incentive payout to members as a marketing strategy to expedite the recruitment of new members during this initial stage of operations by the direct sales division. There are no comparative figures for the travel services and direct sales division for the financial period in the preceding year. The direct sales division was disposed on 30 November 2015.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of our shares as traded on Bursa Securities for the past twelve (12) months are as follows:

	High (RM)	**Low (RM)**
2015		
February	0.160	0.135
March	0.165	0.135
April	0.175	0.140
May	0.165	0.130
June	0.130	0.115
July	0.125	0.110
August	0.115	0.065
September	0.080	0.065
October	0.080	0.070
November	0.145	0.075
December	0.120	0.080
2016		
January	0.105	0.095

The last transacted price of our shares on 3 August 2015, being the second last market day prior to the date of the announcement of the Rights Issue with Warrants was RM0.115 per share.

The last transacted price of our shares on 18 February 2015, being the day prior to the ex-date of the Rights Issue with Warrants was RM0.085 per share.

The last transacted price of our shares as at the LPD was RM0.090 per share.

(Source: M&A Securities)

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

Russell Bedford LC & Company
(AF 1237)
Chartered Accountants
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11 February 2016

The Board of Directors
HO WAH GENTING BERHAD
Wisma Ho Wah Genting
No 35 Jalan Maharajalela
50150 Kuala Lumpur

Dear Sirs

HO WAH GENTING BERHAD ("HWGB" or the "Company")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Report on the Compilation of Pro Forma Consolidated Statements of Financial Position

We have completed our assurance engagement to report on the compilation of the accompanying pro forma consolidated statements of financial position of HWGB for the year ended 31 December 2014 (which we have stamped for the purpose of identification), which have been prepared by the Directors of HWGB ("Directors").

The applicable criteria on the basis of which the Directors have compiled the pro forma consolidated statements of financial position are as described in the Notes to the Pro Forma Consolidated Statements of Financial Position.

The pro forma consolidated statements of financial position have been compiled by the Directors to illustrate the impact of the events set out below on the Company's consolidated statement of financial position as at 31 December 2014 as if these events had taken place at 31 December 2014:

(i) par value reduction of the issued and paid up share capital of HWGB via the cancellation of RM0.15 of the par value of each issued and fully paid up ordinary share of RM0.20 to RM0.05 each ("HWGB Shares") pursuant to Section 64 of the Companies Act 1965 ("Par Value Reduction");

(ii) renounceable rights issue of up to 617,598,349 new HWGB shares ("Rights Shares") on the basis of one (1) Rights Share for every one (1) existing HWGB Share held after the Par Value Reduction, together with up to 494,078,679 free detachable warrants ("Warrants") on the basis of four (4) Warrants for every five (5) Rights Shares subscribed ("Rights Issue with Warrants");

(iii) amendments to the Memorandum and Articles of Association of HWGB to facilitate the implementation of the Par Value Reduction; and

(iv) termination of the Company's existing Employees' Share Option Scheme ("ESOS"); and

(v) establishment of a new ESOS of up to ten percent (10%) of the prevailing issued and paid up ordinary share capital of HWGB for the eligible directors and employees of HWGB and its subsidiaries (excluding subsidiaries which are dormant).

As part of this process, information about the Company's consolidated statement of financial position has been extracted by the Directors from the Company's consolidated financial statements for the year ended 31 December 2014, on which an audit report has been published.

Russell Bedford

HO WAH GENTING BERHAD
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11 February 2016

The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the pro forma consolidated statements of financial position on the basis of the applicable criteria as described in the Notes to the Pro Forma Consolidated Statements of Financial Position.

Our Responsibilities

Our responsibility is to express an opinion, as required for inclusion in the Abridged Prospectus of the Company in connection with the Rights Issue with Warrants, about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements, ISAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any report or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted consolidated financial position.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Company No. 272923-H

Russell Bedford

HO WAH GENTING BERHAD
Page 3
11 February 2016

Opinion

In our opinion, the pro forma consolidated statements of financial position have been properly compiled on the basis stated using the financial statements prepared in accordance with the Malaysian Financial Reporting Standards, the approved Accounting Standards for Entities Other Than Private Entities in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of the Company.

The adjustments made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purposes of preparing the pro forma consolidated statements of financial position.

Other matters

The accompanying pro forma consolidated statements of financial position and this letter have been prepared for the inclusion in the Abridged Prospectus in connection with the Rights Issue with Warrants. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

RUSSELL BEDFORD LC & COMPANY
AF 1237
CHARTERED ACCOUNTANTS

LOH KOK LEONG
1965/06/17(J)
PARTNER

HO WAH GENTING BERHAD
(Company No. 272923-H)
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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014
(Page 1 of 6)

(a) Minimum Scenario

	Audited financial position RM'000	Pro forma I After adjustment for subsequent events RM'000	Pro forma II After pro forma I and effects on exercise of Warrants 2011/2016 and existing ESOS options RM'000	Pro forma III After pro forma II and Rights Issue with Warrants RM'000	Pro forma IV After pro forma III and full exercise of Warrants RM'000
Non current assets					
Property, plant and equipment	58,722	58,722	58,722	58,722	58,722
Exploration and evaluation assets	4,473	4,473	4,473	4,473	4,473
Intangible assets	78	78	78	78	78
Other financial assets	5,990	5,990	5,990	5,990	5,990
	69,263	69,263	69,263	69,263	69,263
Current assets					
Inventories	55,031	55,031	55,031	55,031	55,031
Trade receivables	8,809	8,809	8,809	8,809	8,809
Other receivables, deposits and prepayments	5,043	5,043	5,043	5,043	5,043
Tax recoverable	46	46	46	46	46
Fixed deposits with licensed banks	235	235	235	235	235
Cash and bank balances	11,612	13,635	13,635	13,780	26,580
	80,776	82,799	82,799	82,944	95,744

STAMPED FOR THE PURPOSE OF IDENTIFICATION ONLY
Russell Bedford LC & Company
(AF 1237)
Chartered Accountants

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014
(Page 2 of 6)

(a) Minimum Scenario (continued)

		Pro forma I	Pro forma II	Pro forma III	Pro forma IV
	Audited financial position RM'000	After adjustment for subsequent events RM'000	After pro forma I and effects on exercise of Warrants 2011/2016 and existing ESOS options RM'000	After pro forma II and Rights Issue with Warrants RM'000	After pro forma III and full exercise of Warrants RM'000
Current liabilities					
Trade payables	32,648	32,648	32,648	17,593	17,593
Other payables and accruals	20,660	20,660	20,660	20,660	20,660
Hire purchase and finance lease liabilities	52	52	52	52	52
Short term borrowings	19,813	19,813	19,813	19,813	19,813
	73,173	73,173	73,173	58,118	58,118
Net current assets	7,603	9,626	9,626	24,826	37,626
Non current liabilities					
Hire purchase and finance lease liabilities	63	63	63	63	63
Long term loans	27,592	27,592	27,592	27,592	27,592
Retirement benefit obligations	1,840	1,840	1,840	1,840	1,840
Deferred tax liabilities	2,076	2,076	2,076	2,076	2,076
	(31,571)	(31,571)	(31,571)	(31,571)	(31,571)
	45,295	47,318	47,318	62,518	75,318

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014
(Page 3 of 6)

(a) **Minimum Scenario** (continued)

		Pro forma I	Pro forma II	Pro forma III	Pro forma IV
	Audited financial position RM'000	After adjustment for subsequent events RM'000	After pro forma I and effects on exercise of Warrants 2011/2016 and existing ESOS options RM'000	After pro forma II and Rights Issue with Warrants RM'000	After pro forma III and full exercise of Warrants RM'000
Represented by:					
Share capital	118,206	30,057	30,057	40,057	48,057
Share premium	21,606	21,606	21,606	20,806	31,606
Fair value adjustment reserve	(60)	(60)	(60)	(60)	(60)
Revaluation reserve	6,577	6,577	6,577	6,577	6,577
Employee share option reserve	352	279	-	-	-
Warrant reserve	13,640	2,956	2,956	10,653	-
Other reserve	(13,640)	(2,956)	(2,956)	(4,653)	-
Foreign currency translation reserve	(602)	(602)	(602)	(602)	(602)
Accumulated losses	(91,539)	(1,294)	(1,015)	(1,015)	(1,015)
Equity attributable to owners of the Company	54,540	56,563	56,563	71,763	84,563
Non controlling interests	(9,245)	(9,245)	(9,245)	(9,245)	(9,245)
Total equity	45,295	47,318	47,318	62,518	75,318
Net assets per share (RM)	0.092	0.094	0.094	0.090	0.088

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HWGB 豪華雲頂集團
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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014
(Page 4 of 6)

(b) Maximum Scenario

		Pro forma I	Pro forma II	Pro forma III	Pro forma IV
	Audited financial position RM'000	After adjustment for subsequent events RM'000	After pro forma I and effects on exercise of Warrants 2011/2016 and existing ESOS options RM'000	After pro forma II and Rights Issue with Warrants RM'000	After pro forma III and full exercise of Warrants RM'000
Non current assets					
Property, plant and equipment	58,722	58,722	58,722	58,722	58,722
Exploration and evaluation assets	4,473	4,473	4,473	4,473	4,473
Intangible assets	78	78	78	78	78
Other financial assets	5,990	5,990	5,990	5,990	5,990
	69,263	69,263	69,263	69,263	69,263
Current assets					
Inventories	55,031	55,031	55,031	55,031	55,031
Trade receivables	8,809	8,809	8,809	8,809	8,809
Other receivables, deposits and prepayments	5,043	5,043	5,043	5,043	5,043
Tax recoverable	46	46	46	46	46
Fixed deposits with licensed banks	235	235	235	235	235
Cash and bank balances	11,612	13,635	14,458	16,235	55,761
	80,776	82,799	83,622	85,399	124,925

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014
(Page 5 of 6)

(b) Maximum Scenario (continued)

		Pro forma I	Pro forma II	Pro forma III	Pro forma IV
	Audited financial position RM'000	After adjustment for subsequent events RM'000	After pro forma I and effects on exercise of Warrants 2011/2016 and existing ESOS options RM'000	After pro forma II and Rights Issue with Warrants RM'000	After pro forma III and full exercise of Warrants RM'000
Current liabilities					
Trade payables	32,648	32,648	32,648	17,593	17,593
Other payables and accruals	20,660	20,660	20,660	20,660	20,660
Hire purchase and finance lease liabilities	52	52	52	52	52
Short term borrowings	19,813	19,813	19,813	15,629	15,629
	73,173	73,173	73,173	53,934	53,934
Net current assets	7,603	9,626	10,449	31,465	70,991
Non current liabilities					
Hire purchase and finance lease liabilities	63	63	63	63	63
Long term loans	27,592	27,592	27,592	-	-
Retirement benefit obligations	1,840	1,840	1,840	1,840	1,840
Deferred tax liabilities	2,076	2,076	2,076	2,076	2,076
	(31,571)	(31,571)	(31,571)	(3,979)	(3,979)
	45,295	47,318	48,141	96,749	136,275

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014
(Page 6 of 6)

(b) Maximum Scenario (continued)

		Pro forma I	Pro forma II	Pro forma III	Pro forma IV
	Audited financial position RM'000	After adjustment for subsequent events RM'000	After pro forma I and effects on exercise of Warrants 2011/2016 and existing ESOS options RM'000	After pro forma II and Rights Issue with Warrants RM'000	After pro forma III and full exercise of Warrants RM'000
Represented by:					
Share capital	118,206	30,057	30,880	61,760	86,464
Share premium	21,606	21,606	21,606	20,806	54,156
Fair value adjustment reserve	(60)	(60)	(60)	(60)	(60)
Revaluation reserve	6,577	6,577	6,577	6,577	6,577
Employee share option reserve	352	279	-	-	-
Warrant reserve	13,640	2,956	-	23,765	-
Other reserve	(13,640)	(2,956)	-	(5,237)	-
Foreign currency translation reserve	(602)	(602)	(602)	(602)	(602)
Accumulated losses	(91,539)	(1,294)	(1,015)	(1,015)	(1,015)
Equity attributable to owners of the Company	54,540	56,563	57,386	105,994	145,520
Non controlling interests	(9,245)	(9,245)	(9,245)	(9,245)	(9,245)
Total equity	45,295	47,318	48,141	96,749	136,275
Net assets per share (RM)	0.092	0.094	0.093	0.086	0.084

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

The pro forma consolidated statements of financial position, for which the Directors of Ho Wah Genting Berhad ("HWGB" or the "Company") are solely responsible, have been compiled by the Directors to illustrate the impact of the events set out below on the Company's consolidated statement of financial position as at 31 December 2014 as if these events had taken place at 31 December 2014:

(i) par value reduction of the issued and paid up share capital of HWGB via the cancellation of RM0.15 of the par value of each issued and fully paid up ordinary share of RM0.20 to RM0.05 each ("HWGB Shares") pursuant to Section 64 of the Companies Act 1965 ("Par Value Reduction");

(ii) renounceable rights issue of up to 617,598,349 new HWGB shares ("Rights Shares") on the basis of one (1) Rights Share for every one (1) existing HWGB Share held after the Par Value Reduction, together with up to 494,078,679 free detachable warrants ("Warrants") on the basis of four (4) Warrants for every five (5) Rights Shares subscribed ("Rights Issue with Warrants");

(iii) amendments to the Memorandum and Articles of Association of HWGB to facilitate the implementation of the Par Value Reduction; and

(iv) termination of the Company's existing Employees' Share Option Scheme ("ESOS"); and

(v) establishment of a new ESOS Options of up to ten percent (10%) of the prevailing issued and paid up ordinary share capital of HWGB for the eligible directors and employees of HWGB and its subsidiaries (excluding subsidiaries which are dormant).

Notes to the pro forma consolidated statements of financial position

1. Basis of compilation

The compilation of pro forma consolidated statements of financial position involves:

(i) identifying the source of the unadjusted financial information to be used in compiling the pro forma consolidated statements of financial position, and extracting the unadjusted financial information from that source;

(ii) making pro forma adjustments to the unadjusted financial information for the purpose for which the pro forma consolidated statements of financial position are presented; and

(iii) presenting the resulting pro forma statements of financial position with accompanying disclosures.

The unadjusted financial information (the consolidated statements of financial position) of HWGB is extracted from the Company's consolidated financial statements for the year ended 31 December 2014, on which an audit report has been prepared. The pro forma adjustments are consistent with both the format of the financial statements and the Company's applicable financial reporting framework (the Malaysian Financial Reporting Standards, the approved Accounting Standards for Entities Other Than Private Entities in Malaysia) and the Company's accounting policies under this framework.

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

2. Pro forma I – After adjustment for subsequent events

Minimum Scenario

Pro forma I incorporates the impact of the reduction of the issued and paid up share capital of HWGB via the cancellation of RM0.15 of the par value of each issued and fully paid up ordinary share of RM0.20 each to RM0.05 each pursuant to Section 64 of the Companies Act 1965 which was completed on 7 January 2016.

The issued and fully paid up share capital of HWGB immediately prior to the Par Value Reduction of RM120,229,009 comprising 601,145,044 ordinary shares of RM0.20 each is arrived at after taking into account the increase in number of shares of HWGB in issue after 31 December 2014, from RM118,206,669 comprising 591,033,345 ordinary shares of RM0.20 each as a result of the subsequent exercise of 10,111,699 Warrants 2010/2015 at the exercise price of RM0.20 each for a total cash consideration of RM2,022,340.

Pro forma I also incorporates the impact of the lapse of 142,180,027 unexercised Warrants 2010/2015 which expired on 8 April 2015 and the cancellation of 1,185,000 existing ESOS options due to employee resignations.

Maximum Scenario

Pro forma I incorporates the impact of the reduction of the issued and paid up share capital of HWGB via the cancellation of RM0.15 of the par value of each issued and fully paid up ordinary share of RM0.20 each to RM0.05 each pursuant to Section 64 of the Companies Act 1965 which was completed on 7 January 2016.

The issued and fully paid up share capital of HWGB immediately prior to the Par Value Reduction of RM120,229,009 comprising 601,145,044 ordinary shares of RM0.20 each is arrived at after taking into account the increase in number of shares of HWGB in issue after 31 December 2014, from RM118,206,669 comprising 591,033,345 ordinary shares of RM0.20 each as a result of the subsequent exercise of 10,111,699 Warrants 2010/2015 at the exercise price of RM0.20 each for a total cash consideration of RM2,022,340.

Pro forma I also incorporates the impact of the lapse of 142,180,027 unexercised Warrants 2010/2015 which expired on 8 April 2015 and the cancellation of 1,185,000 existing ESOS options due to employee resignations.

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

3. Pro forma II – After effects on exercise of Warrants 2011/2016 and existing ESOS options

Minimum Scenario

Pro forma II incorporates pro forma I and the assumptions that:

(a) none of the 11,848,032 outstanding Warrants 2011/2016 are exercised into new HWGB ordinary shares prior to the Rights Issue with Warrants; and

(b) all the 4,605,273 outstanding existing ESOS options (after cancellation of 1,185,000 existing ESOS options due to employee resignations) will be terminated prior to the Rights Issue with Warrants.

Maximum Scenario

Pro forma II incorporates pro forma I and the assumptions that:

(a) all 11,848,032 outstanding Warrants 2011/2016 are exercised into 11,848,032 HWGB ordinary shares of RM0.05 each prior to the Rights Issue with Warrants at the deed poll adjusted exercise price of RM0.05 each; and

(b) all the 4,605,273 outstanding existing ESOS Options vested (after cancellation of 1,185,000 existing ESOS options due to employee resignations) are exercised into 4,605,273 HWGB ordinary shares of RM0.05 each prior to the Rights Issue with Warrants at the deed poll adjusted exercise price of RM0.05 each.

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

4. Pro forma III – After Rights Issue with Warrants

Minimum Scenario

Pro forma III incorporates pro forma II and the impact of the minimum level of subscription by the major shareholder of the Company for the renounceable rights issue of 200,000,000 new ordinary shares of RM0.05 each in HWGB, at an issue price of RM0.08 each, together with 160,000,000 free detachable warrants on the basis of four (4) Warrants for every five (5) Rights Shares subscribed. The fair value of each Warrant of RM0.0481 as at 15 January 2016 was derived from Black-Scholes option pricing model based on the exercise price of RM0.08 per Warrant.

Pro forma II also incorporates the assumption that 1,257,613 additional number of Warrants 2011/2016 will be issued to the existing warrant holders of Warrants 2011/2016 in accordance with the deed poll as a result of the Rights Issue with Warrants. The fair value of each additional Warrant 2011/2016 of RM0.0007 as at 15 January 2016 was derived from Black-Scholes option pricing model based on the deed poll adjusted exercise price of RM0.18 per Warrant.

The proceeds from the Rights Issue with Warrants are expected to be utilised in the following manner:

	RM'000
Repayment to a trade payable	15,055
Working capital	145
Estimated expenses for the Rights Issue with Warrants	800
Total	**16,000**

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

4. Pro forma III – After Rights Issue with Warrants (continued)

Maximum Scenario

Pro forma III incorporates pro forma II and the impact of the renounceable rights issue of 617,598,349 new ordinary shares of RM0.05 each in HWGB on the basis of one (1) Rights Share for every one (1) existing HWGB Share held, at an issue price of RM0.08 each, together with 494,078,679 free detachable warrants on the basis of four (4) Warrants for every five (5) Rights Shares subscribed. The fair value of each Warrant of RM0.0481 as at 15 January 2016 was derived from Black-Scholes option pricing model based on the exercise price of RM0.08 per Warrant.

The proceeds from the Rights Issue with Warrants are expected to be utilised in the following manner:

	RM'000
Repayment of bank borrowings	31,776
Repayment to a trade payable	15,055
Working capital	1,777
Estimated expenses for the Rights Issue with Warrants	800
Total	**49,408**

Company No. 272923-H

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

5. Pro forma IV – After full exercise of Warrants

Minimum Scenario

Pro forma IV incorporates Pro forma III and the impact of the full exercise of 160,000,000 Warrants at the exercise price of RM0.08 per Warrant.

The Minimum Scenario assumes that none of the 13,105,645 outstanding Warrants 2011/2016 (including the 1,257,613 additional number of Warrants 2011/2016 issued to the existing holders of Warrants 2011/2016 in accordance with the deed poll as a result of the Rights Issue with Warrants) will be exercised into new HWGB Shares after the completion of the Rights Issue with Warrants and all the 13,105,645 outstanding Warrants 2011/2016 will lapse on its expiry date of 22 September 2016.

Maximum Scenario

Pro forma IV incorporates Pro forma III and the impact of the full exercise of 494,078,679 Warrants at the exercise price of RM0.08 per Warrant.

5. Movements in share capital

(a) **Minimum Scenario**

	Par Value RM	No. of ordinary shares '000	Amount RM'000
Number of shares in issue and paid up share capital as at 31 December 2014	0.20	591,033	118,206
Pro forma adjustments arising from subsequent events		10,112	(88,149)
Pro forma I	0.05	601,145	30,057
Pro forma adjustments arising from effects on exercise of Warrants 2011/2016 and existing ESOS options	0.05	-	-
Pro forma II	0.05	601,145	30,057
Pro forma adjustments arising from Rights Issue with Warrants	0.05	200,000	10,000
Pro forma III	0.05	801,145	40,057
Pro forma adjustments arising from full exercise of Warrants	0.05	160,000	8,000
Pro forma IV	0.05	961,145	48,057

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

5. Movements in share capital (continued)

(b) **Maximum Scenario**

	Par Value RM	No. of ordinary shares '000	Amount RM'000
Number of shares in issue and paid up share capital as at 31 December 2014	0.20	591,033	118,206
Pro forma adjustments arising from subsequent events		10,112	(88,149)
Pro forma I	0.05	601,145	30,057
Pro forma adjustments arising from effects on exercise of Warrants 2011/2016 and existing ESOS options	0.05	16,453	823
Pro forma II		617,598	30,880
Pro forma adjustments arising from Rights Issue with Warrants	0.05	617,598	30,880
Pro forma III	0.05	1,235,196	61,760
Pro forma adjustments arising from full exercise of Warrants	0.05	494,079	24,704
Pro forma IV	0.05	1,729,275	86,464

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

6. **Movements in impacted asset, liability and other reserve accounts**

(a) **Minimum Scenario**

	Cash and bank balances RM'000	Trade payables RM'000	Share premium RM'000	Employee share option reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Accumulated losses RM'000
Audited balance as at 31 December 2014	11,612	32,648	21,606	352	13,640	(13,640)	(91,539)
Pro forma adjustments arising from subsequent events	2,023	-	-	(73)	(10,684)	10,684	90,245
Pro forma I	13,635	32,648	21,606	279	2,956	(2,956)	(1,294)
Pro forma adjustments arising from effects on exercise of Warrants 2011/2016 and existing ESOS options	-	-	-	(279)	-	-	279
Pro forma II	13,635	32,648	21,606	-	2,956	(2,956)	(1,015)
Pro forma adjustments arising from Rights Issue with Warrants	145	(15,055)	(800)	-	7,697	(1,697)	-
Pro forma III	13,780	17,593	20,806	-	10,653	(4,653)	(1,015)
Pro forma adjustments arising from full exercise of Warrants	12,800	-	10,800	-	(10,653)	4,653	-
Pro forma IV	26,580	17,593	31,606	-	-	-	(1,015)

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HO WAH GENTING BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

6. **Movements in impacted asset, liability and other reserve accounts** (continued)

(b) **Maximum Scenario**

	Cash and bank balances	Trade payables	Short term borrowings	Long term loans	Share premium	Employee share option reserve	Warrant reserve	Other reserve	Accumulated losses
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Audited balance as at 31 December 2014	11,612	32,648	19,813	27,592	21,606	352	13,640	(13,640)	(91,539)
Pro forma adjustments arising from subsequent events	2,023	-	-	-	-	(73)	(10,684)	10,684	90,245
Pro forma I	13,635	32,648	19,813	27,592	21,606	279	2,956	(2,956)	(1,294)
Pro forma adjustments arising from effects on exercise of Warrants 2011/2016 and existing ESOS options	823	-	-	-	-	(279)	(2,956)	2,956	279
Pro forma II	14,458	32,648	19,813	27,592	21,606	-	-	-	(1,015)
Pro forma adjustments arising from Rights Issue with Warrants	1,777	(15,055)	(4,184)	(27,592)	(800)	-	23,765	(5,237)	-
Pro forma III	16,235	17,593	15,629	-	20,806	-	23,765	(5,237)	(1,015)
Pro forma adjustments arising from full exercise of Warrants	39,526	-	-	-	33,350	-	(23,765)	5,237	-
Pro forma IV	55,761	17,593	15,629	-	54,156	-	-	-	(1,015)

Signed on behalf of the Board
in accordance with a resolution of the Directors,
Ho Wah Genting Berhad

Name:

Dated: 11 FEB 2016

HWGB 豪華雲頂集團
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HO WAH GENTING BERHAD

(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

(In Ringgit Malaysia)

CERTIFIED TRUE COPY

Russell Bedford LC & Company
(AF 1237)
Chartered Accountants
Loh Kok Leong
Partner

Russell Bedford LC & Company
(AF 1237)
Chartered Accountants

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

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HO WAH GENTING BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2014.

Principal activities

The principal activities of the Company are that of an investment holding company and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year except that the Group is now involved in the business of travel agent and tour related services as a result of the acquisition of a subsidiary, Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd).

Financial results

	Group RM'000	Company RM'000
Net loss for the year attributable to:		
Owners of the Company	21,586	41,086
Non controlling interests	1,851	-
	23,437	41,086

In the opinion of the directors, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend payment in respect of the current financial year.

Reserves and provisions

There were no material transfers to and from reserves or provisions during the financial year other than those disclosed in the financial statements.

Issue of shares and debentures

The Company has not issued any shares and debentures during the financial year.

Warrants 2010/2015

The Company had on 9 April 2010 and on 26 August 2011 issued 137,888,954 and 4,291,073 Warrants 2010/2015 respectively in conjunction with the renounceable rights issue. The Warrants 2010/2015 are constituted by a Deed Poll dated 2 March 2010 ("Deed Poll").

The salient features of the Warrants 2010/2015 are as follows:

(a) The issue date of the Warrants is on 9 April 2010 and the expiry date is on 8 April 2015. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder the right to subscribe for one (1) new ordinary share of RM0.20 each in the Company at an exercise price of RM0.20 per ordinary share until the expiry of the exercise period;

(c) The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

(d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), unless and until such Warrant holders exercise their rights to subscribe for new ordinary shares; and

(e) The new ordinary shares to be issued upon exercise of the Warrants, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

The movements in the Company's Warrants 2010/2015 during the financial year are as follows:

	Entitlement for ordinary shares of RM0.20 each				
	Balance at 1.1.2014 '000	**Issued '000**	**Exercised '000**	**Expired '000**	**Balance at 31.12.2014 '000**
Number of unexercised warrants	142,180	-	-	-	142,180

Warrants 2011/2016

The Company had on 23 September 2011 issued 11,848,032 Warrants in conjunction with the renounceable rights issue. The Warrants 2011/2016 are constituted by a Deed Poll dated 4 August 2011 ("Deed Poll").

The salient features of the Warrants 2011/2016 are as follows:

(a) The issue date of the Warrants is on 23 September 2011 and the expiry date is on 22 September 2016. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder the right to subscribe for one (1) new ordinary share of RM0.20 each in the Company at an exercise price of RM0.20 per ordinary share until the expiry of the exercise period;

(c) The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

(d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), unless and until such Warrant holders exercise their rights to subscribe for new ordinary shares; and

(e) The new ordinary shares to be issued upon exercise of the Warrants, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

The movements in the Company's Warrants 2011/2016 during the financial year are as follows:

	Entitlement for ordinary shares of RM0.20 each				
	Balance at 1.1.2014 '000	**Issued '000**	**Exercised '000**	**Expired '000**	**Balance at 31.12.2014 '000**
Number of unexercised warrants	11,848	-	-	-	11,848

Employees' Share Option Scheme

The Company implemented an Employees' Share Option Scheme ("ESOS") which is governed by the ESOS By-Laws and was approved by its shareholders at the Extraordinary General Meeting held on 16 December 2009.

The salient features of the ESOS are as follows:

(a) The ESOS was implemented on 10 February 2010 and is in force for a period of 10 years until 9 February 2020 in accordance with the terms of the ESOS By-Laws;

(b) The total number of new shares to be offered pursuant to the ESOS shall be subject to a maximum of 10% of the Company's issued and paid up share capital (excluding treasury shares) at any one time;

Employees' Share Option Scheme (continued)

(c) Employees (including Executive Directors) of the Company or its subsidiaries shall be eligible to participate in the ESOS, if as at the date of offer, the employee:

(i) has attained the age of eighteen (18) years;
(ii) is employed by and on the payroll of the Company or its subsidiaries; and
(iii) has been in the employment of the Company or the subsidiaries for a period of at least twelve full months of continuous services, including services during the probation period and whose employment has been confirmed.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the ESOS shall be approved by the shareholders of the Company in the general meeting;

(d) The price payable upon exercise of ESOS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%, or at the par value of the Company's share, whichever is higher;

(e) In the event that share buy-back exercise of the Company resulting in the number of options that have been offered under the ESOS exceeding 10% of the issued and paid up share capital of the Company, there shall be no granting of additional options at any point in time after the share buy-back, unless the number of options that have been granted under the ESOS falls below 10% of the issued and paid up share capital of the Company;

(f) The new ordinary shares to be issued upon exercise of the ESOS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the ESOS; and

(g) The exercise price and the number of new ordinary shares comprised in the ESOS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the ESOS By-Laws. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company.

The movements in the Company's ESOS are as follows:

		Number of options over ordinary shares of RM0.20 each				
Offer Date	**Exercise price per ordinary shares**	**Balance at 1.1.2014 '000**	**Granted '000**	**Lapsed '000**	**Exercised '000**	**Balance at 31.12.2014 '000**
18 June 2010	RM0.20	5,790	-	-	-	5,790

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

Employees' Share Option Scheme (continued)

The Company has been granted relief by the Companies Commission of Malaysia from having to disclose the names of option holders who were granted options to subscribe for less than 204,980 ordinary shares of RM0.20 each. The names of option holders who were granted options to subscribe for 204,980 or more ordinary shares of RM0.20 each during the financial year are as follows:

	Number of options over ordinary shares of RM0.20 each			
Name	**Balance at 1.1.2014**	**Granted**	**Exercised**	**Balance at 31.12.2014**
Dato' Lim Hui Boon	822,134	-	-	822,134
Adanan Bin Baharum	545,008	-	-	545,008
Song Kok Seng	513,834	-	-	513,834
Hsieh Ching Fen	359,684	-	-	359,684
Law Shu Pin	240,559	-	-	240,559
Lee Choon Liang	205,534	-	-	205,534
Berlin Malik	204,980	-	-	204,980

Details of options granted to those who were directors at the end of the financial year are disclosed in the section on Directors' interest in this report.

Directors

The directors of the Company in office since the date of the last report are:

Datuk Teo Tiew
Dato' Lim Ooi Hong
Chien, Chao-Chuan
Lim Wee Kiat
Dato' Mohd Shahar Bin Abdul Hamid
Tee Lay Peng
Wong Tuck Jeong
Elaine Tan Ai Lin

Directors' interests

The shareholdings in the Company and its related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 134 of the Companies Act 1965, are as follows:

	Number of ordinary shares of RM0.20 each				
	Balance as at 1.1.2014	**Bought**	**Sold**	**Balance as at 31.12.2014**	
In the Company					
Shareholdings registered in the name of directors:					
Datuk Teo Tiew	100,300	-	-	100,300	
Chien, Chao-Chuan	100,000	-	-	100,000	
Other shareholdings in which directors are deemed to have an interest:					
Lim Wee Kiat	50,843,000	-	-	50,843,000	^
Dato' Lim Ooi Hong	50,843,000	-	-	50,843,000	^

Directors' interests (continued)

	Number of options over ordinary shares of RM0.20 each			
	Balance as at 1.1.2014	Granted	Exercised	Balance as at 31.12.2014
Share options registered in the name of directors:				
Datuk Teo Tiew	1,027,668	-	-	1,027,668
Chien, Chao-Chuan	822,134	-	-	822,134
Lim Wee Kiat	452,174	-	-	452,174

	Number of Warrants 2010/2015 over ordinary shares of RM0.20 each			
Warrants registered in the name of director:	Balance as at 1.1.2014	Bought	Sold	Balance as at 31.12.2014
Datuk Teo Tiew	39,492	-	-	39,492

	Number of Warrants 2011/2016 over ordinary shares of RM0.20 each			
Warrants registered in the name of director:	Balance as at 1.1.2014	Bought	Sold	Balance as at 31.12.2014
Datuk Teo Tiew	11,000	-	-	11,000

^ Deemed interested by virtue of his substantial shareholding in Kintron Holding Sdn Bhd pursuant to Section 6A of the Companies Act 1965

None of the other directors in office at the end of the financial year had any interest in the shares of the Company and its related companies during the financial year.

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain directors of the Company have interests as disclosed in Note 34 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other statutory information

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps:

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

Other statutory information (continued)

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made; and

(b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Group and the Company.

No contingent or other liability of the Group and the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and the Company to meet its obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and the Company misleading.

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

Auditors

The auditors, Messrs Russell Bedford LC & Company, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the directors,

DATUK TEO TIEW

DATO' LIM OOI HONG

Kuala Lumpur

Date: 0 7 APR 2015

Company No. 272923-H

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of HO WAH GENTING BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 1965 and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014, and of their financial performance and their cash flows for the year ended on that date.

The supplementary information set out in Note 39, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No.1 " Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board
in accordance with a resolution of the directors,

DATUK TEO TIEW

DATO' LIM OOI HONG

Kuala Lumpur

Date: 0 7 APR 2015

Company No. 272923-H

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION

I, DATUK TEO TIEW, being the director primarily responsible for the financial management of HO WAH GENTING BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above named DATUK TEO TIEW at Kuala Lumpur in Wilayah Persekutuan on)
0 7 APR 2015

DATUK TEO TIEW

Before me,

PESURUHJAYA SUMPAH
No. W 521
MOHAN A.S. MANIAM
MALAYSIA

No. 50, Jalan Hang Lekiu
50100 Kuala Lumpur.

COMMISSIONER FOR OATHS

CERTIFIED TRUE COPY

Russell Bedford LC & Company
(AF 1237)
Chartered Accountants
Loh Kok Leong
Partner

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Company No. 272923-H

Russell Bedford LC & Company
(AF 1237)
Chartered Accountants
羅瑞貝德特許會計師事務所
10th Floor, Bangunan Yee Seng
15, Jalan Raja Chulan
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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

1. Report on the financial statements

We have audited the accompanying financial statements which comprise the statement of financial position of the Group and of the Company as at 31 December 2014, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

1.1 Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act 1965 ("Act") and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

1.2 Auditors' responsibility

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 174, of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Forward)

Russell Bedford

1.3 Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Act and the Malaysian Financial Reporting Standards, the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014, and of their financial performance and their cash flows for the year ended on that date.

2. Report on other legal and regulatory requirements

In accordance with the requirements of the Act, we also report on the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 14 to the financial statements, being financial statements that have been included in the Group's financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the Group's financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material in relation to the Group's financial statements and did not include any comment made under Section 174(3) of the Act.

(Forward)

Company No. 272923-H

Russell Bedford

3. Other reporting responsibilities

The supplementary information set out in Note 39 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

RUSSELL BEDFORD LC & COMPANY
AF 1237
CHARTERED ACCOUNTANTS

LOH KOK LEONG
1965/06/15(J)
PARTNER

Kuala Lumpur

Date: 7 April 2015

CERTIFIED TRUE COPY

Russell Bedford LC & Company
(AF 1237)
Chartered Accountants
Loh Kok Leong
Partner

Company No. 272923-H

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Revenue	4	191,027	229,197	742	802
Cost of sales	5	(190,125)	(228,452)	-	-
Gross profit		902	745	742	802
Other operating income		5,839	6,990	2,885	1,235
Distribution costs		(3,183)	(3,615)	-	-
Administrative expenses		(12,612)	(12,288)	(5,931)	(6,344)
Other operating expenses		(9,527)	(12,957)	(38,841)	(5,154)
Loss from operations		(18,581)	(21,125)	(41,145)	(9,461)
Finance costs		(4,592)	(4,688)	(3)	(7)
Share in losses of associate		(74)	(10)	-	-
Loss before tax	7	(23,247)	(25,823)	(41,148)	(9,468)
Income tax expense	8	(190)	(300)	62	-
Net loss for the year		(23,437)	(26,123)	(41,086)	(9,468)
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to profit or loss:	8				
Remeasurement of net retirement benefit obligations		(52)	227	-	-
Gain on revaluation of buildings, net of tax effect		-	197	-	2,516
Items that may be reclassified subsequently to profit or loss:	8				
(Loss)/Gain on fair value changes on available for sale financial assets					
- current year		(7)	9	-	-
- transferred to profit or loss		-	(3)	-	(6,437)
Foreign currency translation differences		(379)	(88)	-	-
Other comprehensive (loss)/income for the year, net of tax		(438)	342	-	(3,921)
Total comprehensive loss for the year		(23,875)	(25,781)	(41,086)	(13,389)

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Loss attributable to:					
Owners of the Company		(21,586)	(24,431)	(41,086)	(9,468)
Non controlling interests		(1,851)	(1,692)	-	-
		(23,437)	(26,123)	(41,086)	(9,468)
Total comprehensive loss attributable to:					
Owners of the Company		(22,024)	(24,089)	(41,086)	(13,389)
Non controlling interests		(1,851)	(1,692)	-	-
		(23,875)	(25,781)	(41,086)	(13,389)
Loss per share (sen)					
Basic	9	(3.65)	(4.31)		
Diluted	9	-	-		

The accompanying notes form an integral part of the financial statements.

Company No. 272923-H

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Non current assets					
Property, plant and equipment	10	58,722	58,703	9,787	10,320
Investment properties	11	-	9,151	-	9,151
Exploration and evaluation assets	12	4,473	4,406	-	-
Intangible assets	13	78	158	-	-
Investment in subsidiaries	14	-	-	54,999	86,655
Investment in an associate	15	-	1,030	-	1,018
Other financial assets	16	5,990	12,682	5,890	12,575
Goodwill on consolidation	17	-	3,025	-	-
Deferred tax assets	18	-	300	-	-
		69,263	89,455	70,676	119,719
Current assets					
Inventories	19	55,031	45,031	-	-
Trade receivables	20	8,809	19,570	-	-
Other receivables, deposits and prepayments	21	5,043	4,208	47,169	44,811
Tax recoverable		46	58	-	-
Fixed deposits with licensed banks	22	235	765	-	-
Cash and bank balances	23	11,612	29,052	1,287	329
		80,776	98,684	48,456	45,140
Current liabilities					
Trade payables	24	32,648	25,836	-	-
Other payables and accruals	25	20,660	16,017	47,300	49,569
Hire purchase and finance lease liabilities	26	52	66	31	34
Short term borrowings	27	19,813	73,263	-	-
Tax payable		-	26	-	-
		73,173	115,208	47,331	49,603
Net current assets/(liabilities)		7,603	(16,524)	1,125	(4,463)
Non current liabilities					
Other payables and accruals	25	-	-	2,333	4,609
Hire purchase and finance lease liabilities	26	63	114	26	57
Long term loans	28	27,592	-	-	-
Retirement benefit obligations	29	1,840	1,473	-	-
Deferred tax liabilities	18	2,076	2,188	1,242	1,304
		(31,571)	(3,775)	(3,601)	(5,970)
		45,295	69,156	68,200	109,286

The accompanying notes form an integral part of the financial statements.

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Represented by:					
Share capital	30	118,206	118,206	118,206	118,206
Reserves	32	(63,666)	(41,642)	(50,006)	(8,920)
Equity attributable to owners of the Company		54,540	76,564	68,200	109,286
Non controlling interests		(9,245)	(7,408)	-	-
Total equity		45,295	69,156	68,200	109,286

The accompanying notes form an integral part of the financial statements.

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Non-distributable reserve							Distributable reserve			
Group	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Employee share option reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the Company RM'000	Non controlling interests RM'000	Total equity RM'000
At 1 January 2014	118,206	21,606	6,577	352	13,640	(223)	(53)	(13,640)	(69,901)	76,564	(7,408)	69,156
Transactions with owners:												
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	14	14
Remeasurement of net retirement benefits obligations	-	-	-	-	-	-	-	-	(52)	(52)	-	(52)
Net loss on fair value changes of available for sale financial assets	-	-	-	-	-	-	(7)	-	-	(7)	-	(7)
Foreign currency translation differences	-	-	-	-	-	(379)	-	-	-	(379)	-	(379)
Other comprehensive loss for the year	-	-	-	-	-	(379)	(7)	-	(52)	(438)	-	(438)
Net loss for the year	-	-	-	-	-	-	-	-	(21,586)	(21,586)	(1,851)	(23,437)
Total comprehensive loss for the year	-	-	-	-	-	(379)	(7)	-	(21,638)	(22,024)	(1,851)	(23,875)
At 31 December 2014	118,206	21,606	6,577	352	13,640	(602)	(60)	(13,640)	(91,539)	54,540	(9,245)	45,295

The accompanying notes form an integral part of the financial statements.

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

Group	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Employee share option reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the Company RM'000	Non controlling interests RM'000	Total equity RM'000
	← Non-distributable reserve							→	Distributable reserve			
At 1 January 2013	107,418	18,639	6,380	366	13,640	(135)	(59)	(13,640)	(45,699)	86,910	(5,834)	81,076
Transactions with owners:												
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	118	118
Exercise of employee share options	43	12	-	(12)	-	-	-	-	-	43	-	43
Share options lapsed	-	-	-	(2)	-	-	-	-	2	-	-	-
Shares issued pursuant to private placement	10,745	2,955	-	-	-	-	-	-	-	13,700	-	13,700
Total transactions with owners	10,788	2,967	-	(14)	-	-	-	-	2	13,743	118	13,861
Remeasurement of net retirement benefits obligations	-	-	-	-	-	-	-	-	227	227	-	227
Gain on revaluation of buildings, net of tax effect	-	-	197	-	-	-	-	-	-	197	-	197
Net gain on fair value changes of available for sale financial assets	-	-	-	-	-	-	6	-	-	6	-	6
Foreign currency translation differences	-	-	-	-	-	(88)	-	-	-	(88)	-	(88)
Other comprehensive income for the year	-	-	197	-	-	(88)	6	-	227	342	-	342
Net loss for the year	-	-	-	-	-	-	-	-	(24,431)	(24,431)	(1,692)	(26,123)
Total comprehensive loss for the year	-	-	197	-	-	(88)	6	-	(24,204)	(24,089)	(1,692)	(25,781)
At 31 December 2013	118,206	21,606	6,577	352	13,640	(223)	(53)	(13,640)	(69,901)	76,564	(7,408)	69,156

The accompanying notes form an integral part of the financial statements.

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

Company	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Employee share option reserve RM'000	Warrant reserve RM'000	Fair value adjustment reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	Total equity RM'000
	← Non-distributable reserve →							Distributable reserve	
At 1 January 2013	107,418	18,639	1,394	366	13,640	6,437	(13,640)	(25,322)	108,932
Transactions with owners:									
Exercise of employees share options	43	12	-	(12)	-	-	-	-	43
Share options lapsed	-	-	-	(2)	-	-	-	2	-
Shares issued pursuant to private placement	10,745	2,955	-	-	-	-	-	-	13,700
Total transactions with owners	10,788	2,967	-	(14)	-	-	-	2	13,743
Loss on fair value changes of available for sale financial assets	-	-	-	-	-	(6,437)	-	-	(6,437)
Gain on revaluation of buildings, net of tax effect	-	-	2,516	-	-	-	-	-	2,516
Other comprehensive loss for the year	-	-	2,516	-	-	(6,437)	-	-	(3,921)
Net loss for the year	-	-	-	-	-	-	-	(9,468)	(9,468)
Total comprehensive loss for the year	-	-	2,516	-	-	(6,437)	-	(9,468)	(13,389)
At 31 December 2013	118,206	21,606	3,910	352	13,640	-	(13,640)	(34,788)	109,286
Net loss/ Total comprehensive loss for the year	-	-	-	-	-	-	-	(41,086)	(41,086)
At 31 December 2014	118,206	21,606	3,910	352	13,640	-	(13,640)	(75,874)	68,200

The accompanying notes form an integral part of the financial statements.

Company No. 272923-H

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from/(used in) operating activities				
Loss before tax	(23,247)	(25,823)	(41,148)	(9,468)
Adjustments for:				
Allowance for doubtful debts	1,212	-	2,179	497
Allowance for doubtful debts no longer required	-	-	-	(21)
Amortisation of financial guarantee liabilities	-	-	(2,460)	(1,169)
Amortisation of intangible assets	80	14	-	-
Bad debts written off	11	14	11	6
Depreciation				
- property, plant and equipment	4,180	6,599	587	404
- investment properties	236	284	236	284
Deposits written off	115	-	-	-
Gain on bargain purchase	(63)	-	-	-
Gain on disposal of subsidiary	(43)	-	-	-
Gross dividend income from quoted investments in Malaysia	(3)	-	-	-
Gain on disposal of available for sale financial assets	(426)	(7)	(426)	-
(Gain)/Loss on disposal of property, plant and equipment	(59)	38	-	-
Loss on disposal of investment properties	615	-	615	-
Impairment loss of goodwill	3,025	-	-	-
Impairment loss of investment in an associate	-	-	43	-
Impairment loss of investment in subsidiaries	-	-	34,081	181
Impairment loss of available for sale financial assets	2,538	10,918	2,538	4,475
Interest expense	4,592	4,688	3	7
Interest income	(17)	(68)	-	(45)
Loss on remeasurement of previously held equity interest in associate	92	-	-	-
Retirement benefit obligations	331	437	-	-
Share in losses of associates	74	10	-	-
Unrealised gain on foreign exchange	(546)	(847)	-	-
Unrealised loss on foreign exchange	56	373	79	83
Operating loss before working capital changes	**(7,247)**	**(3,370)**	**(3,662)**	**(4,766)**
Increase in inventories	(6,999)	(5,913)	-	-
Decrease in trade and other receivables	12,271	14,883	114	1,197
Increase/(Decrease) in trade and other payables	9,563	(4,265)	3,334	129
Cash generated from/(used in) operations	**7,588**	**1,335**	**(214)**	**(3,440)**
Income tax refunded	2	-	-	-
Income tax paid	-	(37)	-	-
Interest paid	(4,592)	(4,688)	(3)	(7)
Retirement benefits paid	(124)	(165)	-	-
Interest received	17	68	-	45
Net cash from/(used) in operating activities	**2,891**	**(3,487)**	**(217)**	**(3,402)**

The accompanying notes form an integral part of the financial statements.

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from/(used in) investing activities				
Increase in fixed deposits/sinking fund pledged	(5,047)	(8,046)	-	-
Dividends received	3	-	-	-
Proceeds from disposal of property, plant and equipment	105	34	-	-
Proceeds from disposal of available for sale financial assets	4,573	24	4,573	-
Proceeds from disposal of investment properties	8,300	-	8,300	-
Purchase of property, plant and equipment	(2,768)	(2,922)	(54)	(11)
Payment for exploration and evaluation assets	(67)	(1,189)	-	-
Acquisition of shares in subsidiaries	(1,249)	(3,098)	(1,450)	(3,120)
Net cash from/(used in) investing activities	**3,850**	**(15,197)**	**11,369**	**(3,131)**
Cash flows from/(used in) financing activities				
Proceeds from exercise of employee share options	-	43	-	43
Proceeds from term loan	1,188	-	-	-
Proceeds from trade finance	141,318	144,020	-	-
Proceeds from shares issued pursuant to private placement	-	13,700	-	13,700
Repayments of trade finance	(143,760)	(136,028)	-	-
Repayments of term loans	(5,454)	(7,919)	-	(350)
Repayments of hire purchase and finance lease liabilities	(65)	(63)	(34)	(32)
Repayments to an associate	-	-	-	(184)
Advances to subsidiaries	-	-	(10,160)	(8,791)
Net cash (used in)/from financing activities	**(6,773)**	**13,753**	**(10,194)**	**4,386**
Exchange differences	(1,612)	5,892	-	-
Net (decrease)/increase in cash and cash equivalents	**(1,644)**	**961**	**958**	**(2,147)**
Cash and cash equivalents at beginning of year	6,368	5,407	329	2,476
Cash and cash equivalents at end of year	**4,724**	**6,368**	**1,287**	**329**

Cash and cash equivalents comprise:

Cash and bank balances	11,612	29,052	1,287	329
Fixed deposits with licensed banks	235	765	-	-
	11,847	29,817	1,287	329
Less: Fixed deposits pledged	(235)	(765)	-	-
Sinking fund account	(6,888)	(22,684)	-	-
	4,724	**6,368**	**1,287**	**329**

The accompanying notes form an integral part of the financial statements.

HO WAH GENTING BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

1. General information

The principal activities of the Company are that of an investment holding company and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 14.

There have been no significant changes in the nature of these activities during the reporting period except that the Group is now involved in the business of travel agent and tour related services as a result of the acquisition of a subsidiary, Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd).

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company's registered office and principal place of business are located at Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur.

The financial statements of the Group and the Company were approved and authorised for issue by the Board of Directors on 7 April 2015.

2. Principal accounting policies

2.1 Statement of compliance

The financial statements of the Group and the Company have been prepared and presented in accordance with the provisions of the Companies Act 1965 and the Malaysian Financial Reporting Standards ("MFRS"), the Approved Accounting Standards for Entities Other Than Private Entities in Malaysia.

The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised below.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and their related interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC interpretations does not result in significant changes in accounting policies of the Group.

2.2.1 **Basis of accounting** (continued)

The Group has not adopted the new standards, amendments to published standards and IC interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC interpretations do not result in significant changes in accounting policies of the Group upon their initial application other than the following:

(i) MFRS 9 Financial Instruments (effective for financial periods beginning on or after 1 January 2018)

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at the inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss, unless this creates an accounting mismatch.

There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group is in the process of making an assessment of where the impact of adoption of MFRS 9 is expected to be in the period of initial application.

2.2.2 **Significant accounting policies**

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2.2 **Significant accounting policies** (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

For each business combination, non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured either at fair value or at the present ownership instruments' proportionate share of the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's net identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group is presented in the statements of comprehensive income as an allocation of the profit or loss and the comprehensive income for the reporting period between non-controlling interests and the owners of the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

2.2.2 **Significant accounting policies** (continued)

Revenue and income recognition

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised upon delivery of goods and the risk and rewards of ownership have passed to the customers.

Revenue from services rendered is recognised when the services are rendered.

Revenue from customer loyalty award is recognised when the obligation in respect of the award is fulfilled.

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised as it accrues (using the effective interest rate method) unless collectibility is in doubt.

Rental income is recognised as it accrues unless collectibility is in doubt.

Commission income is recognised when the services are rendered.

Customer loyalty award

The Group operates loyalty programmes which allow customers to accumulate redemption points when they purchase products from the Group. The redemption points can then be used to purchase a selection of products at discounted price or redeem products.

The Group allocates consideration received from the sale of goods to the goods sold and the redemption points issued that are expected to be redeemed.

The consideration allocated to the redemption points issued is measured at fair value of the redemption points. It is recognised as a liability (deferred revenue) in the statements of financial position and recognised as a revenue when the points are redeemed, have expired or are no longer expected to be redeemed. The amount of revenue recognised is based on the number of points that have been redeemed, relative to the number expected to be redeemed.

Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2.2.2 **Significant accounting policies** (continued)

Foreign currencies (continued)

(i) Foreign currencies (continued)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

(iii) Exchange rates

The principal exchange rates for every unit of foreign currency used are as follows:

	2014 RM	2013 RM
100 Indonesian Rupiah	0.03	0.03
100 New Taiwan Dollar	11.05	10.98
100 Hong Kong Dollar	45.08	42.24
1 United States Dollar	3.50	3.27
1 Singapore Dollar	2.65	2.58

Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans such as Employees Provident Fund are recognised as an expense in profit or loss as incurred.

(iii) Defined benefit plans

Defined benefit plans are post employment benefit plans other than defined contribution plans and under which the pension benefits payable to employees are usually determined by reference to employee's earning and/or length of service.

The Group operates an unfunded defined benefit plan for eligible employees.

2.2.2 **Significant accounting policies** (continued)

Employee benefits (continued)

(iii) Defined benefit plans (continued)

The defined benefit liability recognised is the net total of the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised past service cost. The Group determines the present value of the defined benefit obligation with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The present value of the defined benefit obligation is determined on an annual basis by independent qualified actuaries using the Projected Unit Credit Method, by discounting estimated future cash outflows using interest rates of high quality corporate bonds or market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the defined benefit obligation.

Remeasurements comprising actuarial gains or losses arising from experience adjustments or changes in actuarial assumptions are charged or credited to equity through other comprehensive income in the reporting period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Past service cost is recognised on a straight line basis over the average period until the benefits become vested or to the extent that the benefits are already vested following the introduction of, or changes to, the defined benefit plan, the past service cost is recognised immediately in profit or loss.

(iv) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with the employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimates of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised at the beginning and end of the reporting period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share premium account if new shares are issued.

2.2.2 **Significant accounting policies** (continued)

Income tax

Income tax on profit or loss for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the reporting period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Impairment of non financial assets

The carrying amount of assets (other than financial assets) subject to accounting for impairment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment loss is recognised in profit or loss in the reporting period in which it arises, unless, the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in asset revaluation reserve for the same asset.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.2.2 **Significant accounting policies** (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

The Group adopted the revaluation method to measure its entire class of buildings. Buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated depreciation and impairment losses, if any. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Buildings are revalued at a regular interval of every five (5) years with additional valuations in the interval years where market conditions indicate that the carrying values of the revalued buildings materially differ from the market value.

An increase arising from revaluation is recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Any decrease arising is first offset against the revaluation surplus on an earlier valuation in respect of the same property and thereafter charged to profit or loss.

A revaluation increase is recognised as income to the extent that it reverses a revaluation decrease of the same property previously charged as an expense. Upon the disposal of revalued assets, the amounts in revaluation reserve relating to those assets are transferred directly to retained profits.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

No depreciation is provided on freehold land.

Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to its residual values on a straight line basis at the following annual rates based on their estimated useful lives except for mine properties and plant and equipment used in mining. Mine properties and plant and equipment used in mining are depreciated using the unit-of-production method based on economically recoverable ore reserves over the estimated useful lives of the assets and the tenure of the mining lease, whichever is shorter.

The principal depreciation rates are as follows:

Buildings	2% - 3%
Plant and machinery	Unit-of-production,10% - 20%
Furniture, fittings and equipment	10% - 25%
Motor vehicles	10% - 20%
Renovations	3.33% - 10%
Mines properties	Unit-of-production

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2.2.2 **Significant accounting policies** (continued)

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are stated at cost, including transaction costs less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on leasehold land and building recognised as investment properties is calculated to write off the cost of the assets on a straight line basis over their lease period of 36 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the reporting period in which they arise.

Exploration and evaluation expenditure

Exploration and evaluation expenditure comprises costs which are directly attributable to researching and analysing existing exploration data, conducting geological studies, exploratory drilling and sampling, examining and testing extraction and treatment methods, and compiling pre-feasibility and feasibility studies. Exploration and evaluation expenditure also includes the costs incurred in the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration and evaluation expenditure is capitalised. If a project is not proven to be viable, all irrecoverable costs associated with the project are expensed in profit or loss. Capitalised exploration and evaluation expenditures are stated in the statement of financial position at cost less impairment losses.

Once reserves are established and development is sanctioned, exploration and evaluation expenditure are tested for impairment and transferred to property, plant and equipment. All subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised as "Mine properties" which is disclosed as a component of property, plant and equipment.

Intangible assets

Intangible assets comprising mining right and Multi-Level Marketing licence acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.2.2 **Significant accounting policies** (continued)

Intangible assets (continued)

(i) Mining right

Mining right is amortised using the straight line method based on economically recoverable ore reserves over the lease term of 10 years.

(ii) Multi-Level Marketing licence

Multi-Level Marketing licence is amortised on a straight line basis over its remaining licence period of 20 months.

Investment in subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when these three elements are met: (a) power by investor over an investee, (b) exposure, or rights to variable returns from investor's involvement with the investee, and (c) investor's ability to affect those returns through its power over the investee. Potential voting rights are considered when assessing control only when such rights are substantive. The Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

The Company's investment in subsidiaries is stated at cost less impairment losses, if any.

Investment in associates

An associate is a company in which the Group, directly or indirectly, has significant influence and which is neither a subsidiary nor a joint venture of the Group.

The Company's investment in associates is stated at cost less impairment losses, if any.

The Group's investment in associates is accounted for under the equity method of accounting based on the audited or management financial statements of the associates made up to the same reporting date as the Company. Under this method of accounting, the Group's interest in the post acquisition changes in the Group's share of net assets of the associates is included in the consolidated results while dividend received is reflected as a reduction of the investment in the consolidated statement of financial position.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associates' profit or loss in the reporting period in which the investment is acquired.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments have been made to the financial statements of the associates to ensure consistency of accounting policies with the Group.

2.2.2 **Significant accounting policies** (continued)

Investment in associates (continued)

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gain or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities. Goodwill is measured at cost less any accumulated impairment losses and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Inventories

Raw materials and consumable stores, work in progress, manufactured inventories and trading merchandise and spare parts are stated at the lower of cost and net realisable value with weighted average cost being the main basis for cost. Cost of tin concentrates and consumable stores for tin mining activities are determined on a first in first out basis. Cost of raw materials, consumable stores, trading merchandise and spare parts includes expenditure incurred in acquiring them and other cost incurred in bringing them to their present location and condition. For work in progress and manufactured inventories, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads. Cost of tin concentrates includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Tin concentrates are measured at net realisable value when an active market exists and there is a negligible risk of failure to sell. Changes in the net realisable value are recognised in profit or loss in the reporting period of the change.

Net realisable value represents the estimated selling prices less all estimated costs to be incurred in marketing, selling and distribution.

Leases

Assets acquired under leases or hire purchase which transfers substantially all the risks and rewards incidental to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the leased assets at the inception of the respective leases.

2.2.2 **Significant accounting policies** (continued)

Leases (continued)

Finance costs, which represent the difference between the total lease commitments and the fair values of the assets acquired, are charged to profit or loss over the terms of the relevant lease periods so as to give a constant periodic rate of charge on the remaining balance of the obligations for each reporting period.

All other leases which do not meet such criteria are classified as operating leases. Lease payments under operating leases are recognised as an expense in the statement of comprehensive income on a straight line basis over the terms of the relevant lease.

Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the reporting period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Financial instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

Financial assets are classified as either at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale, as appropriate. Financial liabilities are classified as either at fair value through profit or loss (derivative financial liabilities) or at amortised cost (borrowings and trade and other payables), as appropriate.

2.2.2 **Significant accounting policies** (continued)

Financial instruments (continued)

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(ii) Available for sale financial assets

Available for sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available for sale financial assets are measured at fair value. Any gains or losses in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The accumulated gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Dividends on available for sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available for sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(iii) Payables

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(iv) Interest bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

2.2.2 **Significant accounting policies** (continued)

Financial instruments (continued)

(v) Financial guarantee contracts (continued)

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(vi) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the reporting period in which they are approved.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increased in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

2.2.2 **Significant accounting policies** (continued)

Financial instruments (continued)

(i) Trade and other receivables and other financial assets carried at amortised cost (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly or through the use of an allowance account. When a debtor becomes uncollectible, it is written off against the allowance account.

If in a subsequent reporting period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available for sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available for sale financial assets are impaired.

If available for sale financial assets is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available for sale equity investments are not reversed in profit or loss in the subsequent reporting periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income.

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent reporting periods.

Statements of cash flows

Statements of cash flows are prepared using the indirect method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of sinking fund account pledged and fixed deposits pledged.

3. Critical accounting estimates and judgements

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, management is of the opinion that there are no instances of application of judgment which are expected to have a significant effect on the amounts recognised in the financial statements.

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period other than as follows:

(a) Depreciation of property, plant and equipment

Mine properties and plant and equipment used in mining are depreciated using the unit-of-production method based on economically recoverable ore reserves over the estimated useful lives of the assets. Changes in estimated economically recoverable ore reserves and useful lives of mine properties and plant and equipment are accounted for on a prospective basis from the beginning of the reporting period in which the changes arise. Changes in the estimated economically recoverable ore reserves and expected level of usage could impact the economic useful lives and the residual value of these assets, therefore future depreciation charge could be revised.

(b) Impairment of non financial assets

The Group assesses impairment of property, plant and equipment, investment in subsidiaries, investment in an associate, exploration and evaluation expenditures and intangible assets when events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value (after taking into account the costs to sell) or the value in use of the relevant assets.

In determining the value in use, future cash flows are based on:
- estimates of the quantities of recoverable ore reserves for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices; and
- future foreign exchange rates.

Significant variations to these assumptions and estimates could result in changes to the assessment of the recoverability of these non financial assets. To the extent of any future determination that these non financial assets are not recoverable, future financial results in the reporting period in which this determination is made will be reduced.

3. **Critical accounting estimates and judgements** (continued)

(c) Impairment of available for sale financial assets

The Group records impairment charges on available for sale financial assets when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgment. In making this judgment, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(d) Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. Changes in the expected level of use of the assets and the Group's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets. Therefore, future depreciation charges could be revised.

(e) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the trade and other receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the impairment loss is determined based on the estimated future cash flows discounted at the financial asset's original effective interest rate.

(f) Impairment of goodwill

The recoverable amount of the cash generating unit which goodwill has been allocated to have been determined based on value in use calculations. The value in use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

4. **Revenue**

	Group		**Company**	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Sale of goods	187,017	226,462	-	-
Sale of automotive and spare parts	660	569	-	-
Sale of tin concentrates and tailing sand	2,083	1,492	-	-
Rendering of services	657	-	128	128
Rental income	610	674	614	674
	191,027	229,197	742	802

5. Cost of sales

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Sale of goods	184,673	224,162	-	-
Sale of tin concentrates and tailing sand	4,329	3,821	-	-
Sale of automotive and spare parts	548	469	-	-
Rendering of services	575	-	-	-
	190,125	228,452	-	-

6. Staff costs

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Salaries, wages, bonus and allowances	19,484	22,006	2,903	2,726
Defined contribution plan	445	375	269	259
Other employee related expenses	2,791	2,687	79	74
	22,720	25,068	3,251	3,059

The number of directors of the Company where total remuneration during the reporting period falls within the following bands is analysed as follows:

	2014	2013
Executive directors:		
RM250,001 – RM300,000	1	1
RM300,001 – RM350,000	1	1
RM350,001 – RM400,000	1	1
RM650,001 – RM700,000	1	1
Non executive directors:		
Below RM50,000	4	4

The key management personnel of the Company whose remuneration is analysed as follows:

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Executive directors:				
Salaries and allowances	1,456	1,487	1,068	1,070
Defined contribution plan	178	140	128	128
Benefits-in-kind and others	15	15	15	15
	1,649	1,642	1,211	1,213

6. **Staff costs** (continued)

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Non executive directors:				
Fees	120	120	120	120
Others	8	12	8	12
	128	132	128	132
Total	1,777	1,774	1,339	1,345

7. **Loss before tax**

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Loss before tax is arrived at after charging:				
Allowance for doubtful debts				
- trade receivables	238	-	-	-
- other receivables	974	-	2,179	497
Amortisation of intangible assets	80	14	-	-
Auditors' remuneration				
- auditors' of the Company				
- audit services				
- current year	137	137	36	36
- over provision in prior years	-	(9)	-	-
-other services	6	16	6	16
- auditors' of subsidiaries	-	3	-	3
- other auditors				
- audit services	51	55	-	-
Bad debts written off	11	14	11	6
Depreciation				
- property, plant and equipment	4,180	6,599	587	404
- investment properties	236	284	236	284
Deposits written off	115	-	-	-
Directors' remuneration				
- directors of the Company				
- fees	120	120	120	120
- others	1,642	1,639	1,204	1,210
- directors of subsidiaries				
- others	282	416	-	-
Impairment loss of investment in subsidiaries	-	-	34,081	181
Impairment loss of investment in an associate	-	-	43	-
Impairment loss on goodwill	3,025	-	-	-
Impairment loss of available for sale financial assets	2,538	10,918	2,538	4,475

7. **Loss before tax** (continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Incorporation fees of a subsidiary	-	3	-	-
Interest expense				
- bank overdraft	-	26	-	-
- hire purchase	8	10	3	5
- term loans	2,242	329	-	2
- trade finance	2,342	4,267	-	-
- revolving credit	-	56	-	-
Loss on disposal of investment properties	615	-	615	-
Loss on disposal of property, plant and equipment	-	38	-	-
Loss on foreign exchange				
- realised	532	-	-	-
- unrealised	56	373	79	83
Loss on remeasurement of previously held equity interest in an associate	92	-	-	-
Rental of				
- plant and equipment	53	616	44	44
- premises	467	188	24	24
Retirement benefit obligations	331	437	-	-
And crediting:				
Amortisation of financial guarantee liabilities	-	-	2,460	1,169
Gross dividend income from quoted investments in Malaysia	3	-	-	-
Gain on foreign exchange				
- realised	814	1,196	-	-
- unrealised	546	847	-	-
Gain on disposal of available for sale financial assets	426	7	426	-
Gain on bargain purchase	63	-	-	-
Gain on disposal of subsidiary	43	-	-	-
Gain on disposal of property, plant and equipment	59	-	-	-
Interest income from bank accounts	-	11	-	-
Interest income from fixed deposits	17	57	-	45
Allowance for doubtful debts no longer required	-	-	-	21
Rental income of machinery	-	34	-	-
Rental income of buildings	610	674	614	674

8. Income tax expense

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Estimated income tax payable:				
- under provision in prior years	(2)	-	-	-
Deferred tax (Note 18)				
- current year	112	(28)	62	-
- under provision in prior years	(300)	(272)	-	-
	(190)	(300)	62	-

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Loss before tax	(23,247)	(25,823)	(41,148)	(9,468)
Taxation at statutory tax rate of 25% (2013: 25%)	5,812	6,456	10,300	2,367
Expenses not deductible for tax purposes	(3,127)	(2,868)	(10,853)	(2,663)
Income not subject to tax	35	54	615	296
Deferred tax assets not recognised	(2,608)	(3,670)	-	-
Under provision in prior years				
- deferred tax	(300)	(272)	-	-
- income tax	(2)	-	-	-
Income tax expense	(190)	(300)	62	-

The income tax expense relating to components of other comprehensive income is as follows:

Group	2014 Before tax RM'000	2014 Tax expense RM'000	2014 Net of tax RM'000	2013 Before tax RM'000	2013 Tax expense RM'000	2013 Net of tax RM'000
Items that will not be reclassified subsequently to profit or loss:						
Remeasurement of retirement benefit obligations	(52)	-	(52)	227	-	227
Gain on revaluation of buildings	-	-	-	2,385	(2,188)	197
	(52)	-	(52)	2,612	(2,188)	424
Items that may be reclassified subsequently to profit or loss:						
(Loss)/Gain on fair value changes on available for sale financial assets						
- current year	(7)	-	(7)	9	-	9
- transferred to profit or loss	-	-	-	(3)	-	(3)
Foreign currency translation differences	(379)	-	(379)	(88)	-	(88)
	(386)	-	(386)	(82)	-	(82)

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

Company	2014 Before tax RM'000	2014 Tax expense RM'000	2014 Net of tax RM'000	2013 Before tax RM'000	2013 Tax expense RM'000	2013 Net of tax RM'000
Item that will not be reclassified subsequently to profit or loss:						
Gain on revaluation of buildings	-	-	-	3,820	(1,304)	2,516
	-	-	-	3,820	(1,304)	2,516
Item that may be reclassified subsequently to profit or loss:						
Loss on fair value changes on available for sale financial assets - transferred to profit or loss	-	-	-	(6,437)	-	(6,437)
	-	-	-	(6,437)	-	(6,437)

9. **Loss per share**

Basic loss per ordinary share is based on net loss attributable to ordinary shareholders and weighted average number of ordinary shares in issue as follows:

	Group 2014 RM'000	Group 2013 RM'000
Net loss attributable to owners of the Company	(21,586)	(24,431)
Weighted average number of ordinary shares in issue ('000)	591,033	567,308
Loss per share (sen)	(3.65)	(4.31)

As at 31 December 2014 and 2013, diluted loss per share is not presented in the financial statements as there is an anti dilutive effect on loss per shares.

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10. **Property, plant and equipment**

Group	Freehold land RM'000	Buildings (at valuation) RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Mines properties RM'000	Total RM'000
Cost (unless otherwise indicated)								
At 1 January 2013	3,208	21,056	145,550	8,266	1,820	1,893	11,043	192,836
Additions	-	-	785	1,250	28	859	-	2,922
Acquisition of subsidiaries	-	-	-	86	134	192	-	412
Disposals	-	-	(696)	-	-	-	-	(696)
Write offs	-	-	-	(196)	-	(4)	-	(200)
Revaluation	-	(2,931)	-	-	-	-	-	(2,931)
Exchange differences	231	797	4,215	528	77	96	-	5,944
At 31 December 2013	3,439	18,922	149,854	9,934	2,059	3,036	11,043	198,287
Additions	-	-	1,584	921	187	76	-	2,768
Acquisition of a subsidiary	-	-	-	10	-	3	-	13
Disposals	-	-	(2,245)	(2)	(123)	-	-	(2,370)
Write offs	-	-	-	(36)	-	-	-	(36)
Exchange differences	232	809	4,231	627	73	111	-	6,083
At 31 December 2014	3,671	19,731	153,424	11,454	2,196	3,226	11,043	204,745

10. **Property, plant and equipment** (continued)

Group	Freehold land RM'000	Buildings (at valuation) RM'000	Plant and machinery RM'000	Furniture, Fittings and equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Mines properties RM'000	Total RM'000
Accumulated depreciation								
At 1 January 2013	-	3,924	123,378	4,826	1,202	658	764	134,752
Charge for the year	-	1,152	4,347	779	164	117	40	6,599
Disposals	-	-	(624)	-	-	-	-	(624)
Write offs	-	-	-	(196)	-	(4)	-	(200)
Revaluation	-	(5,316)	-	-	-	-	-	(5,316)
Exchange differences	-	244	3,729	319	60	15	-	4,367
At 31 December 2013	-	4	130,830	5,728	1,426	786	804	139,578
Charge for the year	-	945	2,002	827	196	176	34	4,180
Disposals	-	-	(2,245)	-	(79)	-	-	(2,324)
Write offs	-	-	-	(30)	-	-	-	(30)
Exchange differences	-	287	3,872	389	53	18	-	4,619
At 31 December 2014	-	1,236	134,459	6,914	1,596	980	838	146,023
Accumulated impairment losses								
At 1 January 2013/At 31 December 2013	-	-	-	6	-	-	-	6
Write offs	-	-	-	(6)	-	-	-	(6)
At 31 December 2014	-	-	-	-	-	-	-	-

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10. **Property, plant and equipment** (continued)

Group	Freehold land RM'000	Buildings (at valuation) RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Mines properties RM'000	Total RM'000
Net book value								
At 31 December 2014	3,671	18,495	18,965	4,540	600	2,246	10,205	58,722
At 31 December 2013	3,439	18,918	19,024	4,200	633	2,250	10,239	58,703

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10. **Property, plant and equipment** (continued)

Company	**Buildings (at valuation) RM'000**	**Furniture, fittings and office equipment RM'000**	**Motor vehicles RM'000**	**Renovations RM'000**	**Total RM'000**
Cost (unless otherwise indicated)					
At 1 January 2013	7,130	585	321	1,002	9,038
Additions	-	11	-	-	11
Revaluation	2,500	-	-	-	2,500
At 31 December 2013	9,630	596	321	1,002	11,549
Additions	-	36	4	14	54
At 31 December 2014	9,630	632	325	1,016	11,603
Accumulated depreciation					
At 1 January 2013	1,046	442	176	481	2,145
Charge for the year	277	27	32	68	404
Revaluation	(1,320)	-	-	-	(1,320)
At 31 December 2013	3	469	208	549	1,229
Charge for the year	458	28	32	69	587
At 31 December 2014	461	497	240	618	1,816
Net book value					
Representing:					
At 31 December 2014	9,169	135	85	398	9,787
At 31 December 2013	9,627	127	113	453	10,320

10. **Property, plant and equipment** (continued)

At the reporting date:

(i) Property, plant and equipment of the Group and the Company with carrying amount of RM33,106,000 (2013: RM29,395,000) and RM9,169,000 (2013: RM9,600,000) respectively, have been charged as collaterals to secure the banking facilities referred to in Note 27; and

(ii) Equipment and motor vehicles of the Group and the Company with net book value of RM125,000 (2013: RM195,000) and RM85,000 (2013: RM113,000) respectively are acquired under finance lease and hire purchase arrangements.

Revaluation

The buildings of the Group were revalued on 20 May 2013, 4 March 2014 and 6 March 2014 by the directors based upon valuations carried out by independent professional valuers using the fair value method which is determined by reference to open market values on an existing use basis. Details of valuation techniques and inputs are disclosed in Note 36.

The revaluation surplus net of tax was credited to other comprehensive income and is included in revaluation reserve in Note 32.

Had the buildings been carried at historical cost, the net book value of the buildings that would have been included in the financial statements of the Group and the Company as at 31 December 2014 would have been RM10,950,000 (2013: RM10,986,000) and RM2,678,000 (2013: RM2,838,000) respectively.

11. **Investment properties**

	Group and Company		
	Leasehold land RM'000	**Building RM'000**	**Total RM'000**
Cost			
At 1 January 2013/31 December 2013	2,581	7,990	10,571
Disposals	(2,581)	(7,990)	(10,571)
At 31 December 2014	-	-	-
Accumulated depreciation			
At 1 January 2013	358	778	1,136
Charge for the year	72	212	284
At 31 December 2013	430	990	1,420
Charge for the year	60	176	236
Disposals	(490)	(1,166)	(1,656)
At 31 December 2014	-	-	-

11. **Investment properties** (continued)

	Group and Company		
	Leasehold land RM'000	Building RM'000	Total RM'000
Net book value			
At 31 December 2014	-	-	-
At 31 December 2013	2,151	7,000	9,151

The fair value of the leasehold land and building, which was determined based on valuations carried out by independent professional valuers using the fair value method which is determined by reference to open market values on an existing use basis, is RM Nil (2013: RM10,000,000). Details of valuation techniques and inputs are disclosed in Note 36.

The Company has no restrictions on the realisability of its investment properties and no contractual obligation to either purchase, construct or develop investment property or for repair, maintenance and enhancement.

The following are recognised in profit or loss in respect of investment properties:

	Group and Company	
	2014 RM'000	2013 RM'000
Rental income	498	559
Direct operating expenses		
- income generating investment properties	19	24

Investment properties of the Group and Company with carrying amount of RM Nil (2013: RM9,151,000) has been charged as collaterals to secure the banking facilities referred to in Note 27.

12. **Exploration and evaluation assets**

	Group	
	2014 RM'000	2013 RM'000
Cost		
At beginning of year	4,406	3,217
Additions	67	1,189
At end of year	4,473	4,406

13. Intangible assets

Group	Mining right	Multi-Level Marketing licence	Total
Cost	**RM'000**	**RM'000**	**RM'000**
At 1 January 2013	82	-	82
Acquisition of a subsidiary	-	120	120
At 31 December 2013/31 December 2014	82	120	202
Accumulated amortisation			
At 1 January 2013	30	-	30
Amortisation for the year	8	6	14
At 31 December 2013	38	6	44
Amortisation for the year	8	72	80
At 31 December 2014	46	78	124
Carrying amount			
At 31 December 2014	36	42	78
At 31 December 2013	44	114	158

The amount recognised in profit or loss has been included under the following line items:

	Group	
	2014 RM'000	**2013 RM'000**
Cost of sales	8	8
Other operating expenses	72	6
	80	14

14. Investment in subsidiaries

Company	2014 RM'000	2013 RM'000
Unquoted shares at cost		
At beginning of year	129,437	126,317
Acquisition of subsidiaries	1,450	3,120
Transferred from investment in an associate (Note 15)	975	-
At end of year	131,862	129,437
Provision of financial guarantees		
At beginning of year	8,438	7,091
Addition during the year	-	1,347
At end of year	8,438	8,438
Accumulated impairment losses		
At beginning of year	(51,220)	(51,039)
Impairment loss for the year	(34,081)	(181)
At end of year	(85,301)	(51,220)
Carrying amount	54,999	86,655

14. **Investment in subsidiaries** (continued)

The details of the subsidiaries are as follows:

	Country of incorporation	Group's effective interest 2014 %	2013 %	Principal activities
Subsidiaries of the Company				
Ho Wah Genting Trading Sdn Bhd	Malaysia	100	100	Trading of wires and cables
Ho Wah Genting Kintron Sdn Bhd	Malaysia	100	100	Providing services to various industries including wire and cable assemblies and installations, lighting assemblies, the wholesaling of electrical goods, the distribution of electrical parts and electrical components
PT. Ho Wah Genting #	Indonesia	100	100	Manufacturing of wires and cables, moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment
HWG Management Services Sdn Bhd *	Malaysia	-	100	Ceased operation
Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd)	Malaysia	99	-	Travel agent and tour related services
Ho Wah Genting (Labuan) Ltd #	Malaysia	100	100	Dormant
HWG Minerals Sdn Bhd	Malaysia	100	100	Investment holding company
HWG Tin Mining Sdn Bhd	Malaysia	51	51	Tin mining and its related activities
HWG Consortium Sdn Bhd	Malaysia	51	51	Dormant
Skyflower Sdn Bhd	Malaysia	100	100	Dormant
Marvel Theme Park City Sdn Bhd	Malaysia	-	100	Dormant
Rex Oriental Sdn Bhd	Malaysia	100	100	Investment holding company
Vitaxel Sdn Bhd	Malaysia	100	100	Selling of travel kits

14. **Investment in subsidiaries** (continued)

	Country of incorporation	Group's effective interest 2014 %	2013 %	Principal activities
Subsidiary of HWG Minerals Sdn Bhd				
HWG Copper Mining Sdn Bhd *	Malaysia	-	100	Dormant
Subsidiary of Rex Oriental Sdn Bhd				
Orient Sun Motors Sdn Bhd	Malaysia	70	70	Trading of motor vehicles
Subsidiary of Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd)				
HWG Travel (MM2H) Sdn Bhd	Malaysia	70	70	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

The financial statements of the subsidiaries indicated by # are not audited by Russell Bedford LC & Company.

* During the reporting period, the subsidiaries have been deregistered.

Acquisition and disposal of subsidiaries

During the reporting period:

(a) On 16 October 2014, the Company entered into a Share Sale Agreement to acquire 3,569,000 ordinary shares of RM1.00 each (representing 59.48% shareholdings) in Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd) ("HWGH") for a cash consideration of RM1,450,284. Upon completion of the acquisition on 6 November 2014, HWGH became a subsidiary of the Company.

The reason for the acquisition is to expand into the travel industry.

(b) On 15 December 2014, the Company disposed of its entire shareholdings in Marvel Theme Park City Sdn Bhd ("MTPC") for a cash consideration of RM2. As a result of the disposal, MTPC ceased to be a subsidiary of the Company.

In the previous reporting period:

(a) On 3 September 2013, the Company acquired 2 ordinary shares of RM1 each representing 100% of the issued and paid up share capital of Skyflower Sdn Bhd ("Skyflower"), a company incorporated in Malaysia, for a total cash consideration of RM2.

(b) On 6 September 2013, the Company incorporated a wholly-owned subsidiary namely Marvel Theme Park City Sdn Bhd ("MTPC"). The Company has subscribed for 2 ordinary shares of RM1 each representing 100% of the issued and paid up share capital of MTPC.

14. **Investment in subsidiaries** (continued)

Acquisition and disposal of subsidiaries (continued)

(c) On 2 October 2013, the Company entered into a Share Sale and Purchase Agreement to acquire the entire issued and paid up share capital of 400,000 ordinary shares of RM1 each in Rex Oriental Sdn Bhd ("ROSB") for a cash consideration of RM3,000,000. Upon acquisition, ROSB became a wholly-owned subsidiary of the Company.

As a result of the acquisition of ROSB, the Group is expected to establish its presence in the automotive industry. The Group recognised a goodwill of RM3,025,000 comprises the value of the distribution networks and distributorship which do not qualify for separate recognition. Goodwill is allocated entirely to the automotive segment. The goodwill recognised is not expected to be deductible for income tax purposes.

(d) On 15 November 2013, the Company entered into a Share Sale and Purchase Agreement to acquire the entire issued and paid up share capital of 1,500,000 ordinary shares of RM1 each in Vitaxel Sdn Bhd ("Vitaxel") for a cash consideration of RM120,000. Upon completion of the acquisition, Vitaxel became a wholly-owned subsidiary of the Company. The reason for the acquisition is to venture into direct selling business.

The following table summarises the consideration paid, the fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition for all the business combinations during the reporting period.

	Group	
	2014	**2013**
	RM'000	**RM'000**
Property, plant and equipment	13	412
Intangible asset	-	120
Inventories	-	75
Trade receivables	41	-
Other receivables, deposits and prepayments	2,440	-
Cash and cash equivalents	201	22
Trade payables	(91)	(12)
Other payables and accruals	(213)	(404)
Fair value of identifiable net assets acquired	2,391	213
Fair value of equity interest in HWGH held by the Group immediately before the acquisition	(864)	-
Non controlling interest measured at the non controlling interest's proportionate share of HWGH's net identifiable assets	(14)	-
Non controlling interest measured at the non controlling interest's proportionate share of ROSB's net identifiable assets	-	(118)
(Bargain purchase)/Goodwill arising from acquisition	(63)	3,025
Purchase consideration by way of cash	1,450	3,120
Cash and cash equivalents acquired	(201)	(22)
Net cash outflow arising from acquisition	1,249	3,098

14. **Investment in subsidiaries** (continued)

The acquisition of HWGH had the following effects on the Group's financial results for the reporting period:

	Group 2014 RM'000
Revenue	2,474
Net loss for the year	(184)

Had HWGH been consolidated from 1 January 2014, the statements of comprehensive income would show the following financial results:

	Group 2014 RM'000
Revenue	193,501
Net loss for the year	(23,621)

The acquisition of ROSB Group had the following effects on the Group's financial results for the previous reporting period:

	Group 2013 RM'000
Revenue	569
Net loss for the year	(82)

Had ROSB Group been consolidated from 1 January 2013, the statements of comprehensive income would show the following financial results:

	Group 2013 RM'000
Revenue	232,207
Net loss for the year	(26,737)

The acquisitions and disposals of the other subsidiaries during the current and previous reporting period did not have a significant impact to the financial results and positions of the Group.

Loss on remeasuring previously held equity interest in HWGH to fair value at acquisition date

The Group recognised a loss of RM92,000 as a result of measuring at fair value its 40% equity interest in HWGH held before the business combination. The loss is included in the "Other operating expenses" line item in the Group's profit or loss for the year ended 31 December 2014.

Bargain purchase from acquisition

The acquisition of the 59.48% shareholdings in HWGH resulted in a bargain purchase of RM63,000 which has been included in the "Other operating income" line item in the Group's profit or loss for the year ended 31 December 2014.

14. **Investment in subsidiaries** (continued)

Impairment of investment in subsidiaries

During the reporting period, the directors performed an impairment test for the investment in PT Ho Wah Genting ("PTHWG") as PTHWG had been persistently making losses. An impairment loss of RM31,081,000 was recognised to write down the investment in PTHWG to its recoverable amount of RM Nil. The recoverable amount of the investment in PTHWG has been determined based on its fair value less costs of disposal. The fair value of the investment in PTHWG is determined by reference to the net assets of PTHWG.

In the previous reporting period, the directors performed an impairment test for the investment in HWG Mineral Sdn Bhd ("HWGM") and HWG Consortium Sdn Bhd ("HWGC") as both subsidiaries had been persistently making losses. An impairment loss of RM130,000 and RM51,000 were recognised to write down both subsidiaries to their recoverable amount of RM17,869,000 and RM Nil respectively. The recoverable amounts of the investment in HWGM and HWGC have been determined based on their respective fair value less costs of disposal. The fair value of the investment in HWGM and HWGC were determined by reference to their respective net assets.

The above impairment losses have been recognised in the profit or loss under "Other operating expenses" line item in the Company's profit or loss for the year ended 31 December 2014 and 31 December 2013 respectively.

Interest in subsidiaries with material non controlling interest ("NCI")

The Group has the following subsidiary with NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI %	Loss allocated to NCI during the reporting period RM'000	Accumulated NCI at the end of reporting period RM'000
2014				
HWG Tin Mining Sdn Bhd	Malaysia	49	1,480	8,740
2013				
HWG Tin Mining Sdn Bhd	Malaysia	49	1,491	7,260

Summarised financial information about subsidiary with material NCI

(i) Sumarised statement of financial position

	2014 RM'000	2013 RM'000
Current		
Assets	459	637
Liabilities	(46,948)	(44,181)
Net current liabilities	(46,489)	(43,544)
Non current		
Assets	28,691	28,786
Liabilities	(37)	(57)
Net non current assets	28,654	28,729
Net liabilities	(17,835)	(14,815)

14. **Investment in subsidiaries** (continued)

(ii) Sumarised statement of comprehensive income

	2014 RM'000	2013 RM'000
Revenue	2,083	1,492
Loss before tax	(3,020)	(3,037)
Net loss/Total comprehensive loss	(3,020)	(3,042)

(iii) Other summarised information

	2014 RM'000	2013 RM'000
Cash flows used in operating activities	(2,242)	(3,025)
Cash flows used in investing activities	(85)	(1,297)
Cash flows from financing activities	2,284	3,905
Net decrease in cash and cash equivalents	(43)	(417)

15. **Investment in an associate**

	Group	
	2014 RM'000	2013 RM'000
Unquoted shares at cost	-	2,400
Share in post acquisition reserves of associate	-	(1,370)
Carrying amount	-	1,030

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares at cost		
At beginning of year	2,400	2,400
Transferred to investment in subsidiaries (Note 14)	(2,400)	-
At end of year	-	2,400
Accumulated impairment losses		
At beginning of year	(1,382)	(1,382)
Impairment loss for the year	(43)	-
Transferred to investment in subsidiaries (Note 14)	1,425	-
At end of year	-	(1,382)
Carrying amount	-	1,018

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

The details of the associate are as follows:

	Country of incorporation	Group's effective interest 2014 %	Group's effective interest 2013 %	Principal activities
Associate of the Company				
Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd)	Malaysia	-	40	Travel agent and tour related services

The summarised financial information of the associate at the end of the reporting period is as follows:

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

	2014 RM'000	2013 RM'000
Cash and bank balances	-	38
Other current assets (excluding cash and bank balances)	-	2,721
Total current assets	-	2,759
Non current assets	-	16
Financial liabilities (excluding trade and other payables)	-	79
Trade and other payables	-	121
Total current liabilities	-	200

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

	2014 RM'000	2013 RM'000
Revenue	-	3,720
Depreciation	-	(6)
Income tax expense	-	-
Net loss/Total comprehensive loss for the year	-	(25)

(iii) **Reconciliation of summarised financial information**

	2014 RM'000	2013 RM'000
Opening net assets	-	2,599
Net loss for the year	-	(25)
Closing net assets	-	2,574
Interest in associate	-	40%
Carrying amount	-	1,030

16. Other financial assets

	Group 2014 RM'000	Group 2013 RM'000
Available for sale financial assets :		
Equity shares quoted in Malaysia at cost	1,240	1,240
Equity shares quoted in Hong Kong at derived cost	38,011	44,649
	39,251	45,889
Accumulated impairment losses		
At beginning of year	(33,154)	(22,311)
Impairment loss for the year		
- recognised in profit or loss	2,538	10,921
- gain reclassified from equity	-	(3)
Net changes in profit or loss	(2,538)	(10,918)
Disposals	2,491	75
At end of year	(33,201)	(33,154)
Fair value adjustments		
At beginning of year	(53)	(59)
Change for the year		
- recognised in other comprehensive income	(7)	9
- reclassification of loss to profit or loss	-	(3)
	(7)	6
At end of year	(60)	(53)
Carrying amount	5,990	12,682
Market value of quoted equity shares	5,990	12,682

16. **Other financial assets** (continued)

	Company 2014 RM'000	Company 2013 RM'000
Available for sale financial asset:		
Equity shares quoted in Hong Kong at cost	10,412	17,050
Accumulated impairment losses		
At beginning of year	(4,475)	-
Impairment loss for the year		
- recognised in profit or loss	2,538	10,912
- gain reclassified from equity	-	(6,437)
Net changes in profit or loss	(2,538)	(4,475)
Disposals	2,491	-
At end of year	(4,522)	(4,475)
Fair value adjustments		
At beginning of year	-	6,437
Change for the year		
- reclassification of gain to profit or loss	-	(6,437)
Recycled to profit or loss	-	(6,437)
At end of year	-	-
Carrying amount	5,890	12,575
Market value of quoted equity shares	5,890	12,575

17. **Goodwill on consolidation**

	Group 2014 RM'000	Group 2013 RM'000
At beginning of year	17,454	14,429
Additions during the year	-	3,025
At end of year	17,454	17,454
Accumulated impairment losses		
At beginning of year	14,429	14,429
Impairment loss for the year	3,025	-
At end of year	17,454	14,429
Carrying amount	-	3,025

17. **Goodwill on consolidation** (continued)

2014

Impairment loss recognised

During the reporting period, an impairment loss was recognised to write down the carrying amount of goodwill attributable to the automotive segment. The recoverable amount of goodwill has been determined based on the disposal value of the automotive segment subsequent to the reporting date as disclosed in Note 37 to the financial statements. The impairment loss of RM3,000,000 has been recognised in profit or loss under "Other operating expenses" line item in the Group's profit or loss for the year ended 31 December 2014.

2013

Impairment testing of goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated solely to the automotive segment, which is also the reportable operating segment.

The recoverable amount of the automotive segment has been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five year period. The pre tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five year period are as follows:

	%
Growth rate	1
Pre tax discount rate	10

Key assumptions used in the value in use calculations

The calculations of value in use for the Cash Generating Unit ("CGU") are most sensitive to the following assumptions:

a) Growth rate

The forecasted growth rate are based on published industry research and do not exceed the long term average growth rate for the automotive industry.

b) Pre tax discount rate

Discount rate used for cash flows discounting purpose is the weighted average cost of capital specific to the CGU.

Sensitivity to changes in assumption

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

18. Deferred tax assets/(liabilities)

	Group 2014 RM'000	Group 2013 RM'000
At beginning of year	(1,888)	600
Recognised in profit or loss (Note 8)		
- current year	112	(28)
- over/under provision in prior years	(300)	(272)
	(2,076)	300
Recognised in other comprehensive income	-	(2,188)
At end of year	(2,076)	(1,888)

	Group 2014 RM'000	Group 2013 RM'000
Gross:		
Deferred tax assets	2,919	2,718
Deferred tax liabilities	(4,995)	(4,606)
	(2,076)	(1,888)

Presented after appropriate offsetting as follows:

Deferred tax assets	-	(300)
Deferred tax liabilities	(2,076)	(2,188)

Deferred tax liabilities of the Group are in respect of the following:

	Group 2014 RM'000	Group 2013 RM'000
Excess of tax capital allowances over related depreciation of property, plant and equipment	(2,789)	(2,290)
Revaluation reserve	(2,076)	(2,188)
Other temporary differences	(130)	(128)
	(4,995)	(4,606)

18. **Deferred tax assets/(liabilities)** (continued)

Deferred tax assets of the Group are in respect of the following temporary differences:

	Gross		Tax effect	
	2014	**2013**	**2014**	**2013**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Deductible temporary differences	2,044	1,676	511	419
Unrealised losses in foreign exchange	971	316	234	77
Unutilised tax losses and unabsorbed capital allowances				
- no expiry date	89,504	83,955	20,209	18,707
- tax losses allowed to be utilised up to the financial year ending 31 December				
- 2014	-	15,991	-	3,970
- 2015	615	606	105	103
- 2016	2,882	2,716	687	646
- 2017	885	4,179	203	1,027
- 2018	2,324	2,176	581	544
- 2019 to 2024	11,530	500	2,931	85
	18,236	26,168	4,507	6,375
Unutilised reinvestment allowances	15,720	16,600	3,930	4,150
	126,475	128,715	29,391	29,728
Less: Deferred tax assets recognised	(11,919)	(11,112)	(2,919)	(2,718)
Deferred tax assets not recognised	114,556	117,603	26,472	27,010

Portion of these deferred tax assets have not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these tax benefits.

18. **Deferred tax assets/(liabilities)** (continued)

	Company 2014 RM'000	Company 2013 RM'000
At beginning of year	(1,304)	-
Recognised in profit or loss (Note 8)	62	-
Recognised in other comprehensive income	-	(1,304)
At end of year	(1,242)	(1,304)

Deferred tax liability of the Company is in respect of the following:

	Company 2014 RM'000	Company 2013 RM'000
Revaluation reserve	(1,242)	(1,304)

Deferred tax assets of the Company are in respect of the following temporary differences:

	Gross 2014 RM'000	Gross 2013 RM'000	Tax effect 2014 RM'000	Tax effect 2013 RM'000
Unutilised tax losses and unabsorbed capital allowances	29,137	29,137	7,284	7,284

These deferred tax assets have not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these tax benefits.

19. **Inventories**

	Group 2014 RM'000	Group 2013 RM'000
At cost:		
Raw materials and consumable stores	17,808	19,655
Work in progress	23,254	18,893
Tin concentrates	-	65
Manufactured inventories	12,715	5,977
Trading merchandise and spare parts	1,254	441
	55,031	45,031

Inventories with a carrying amount of RM41,402,000 (2013: RM44,231,000) are pledged as collaterals for the banking facilities referred to in Note 27.

20. Trade receivables

	Group 2014 RM'000	Group 2013 RM'000
Trade receivables	9,047	19,570
Less: Allowance for doubtful debts	(238)	-
	8,809	19,570

Trade receivables with a carrying amount of RM7,961,000 (2013: RM15,558,000) are pledged as collaterals for the banking facilities as disclosed in Note 27.

The Group's normal trade credit terms range from 30 days to 120 days (2013: 30 days to 120 days). Other credit terms are assessed and approved on a case by case basis.

The movements in the allowance for doubtful debts accounts for trade receivables that are individually impaired at the reporting date are as follows:

	Group 2014 RM'000	Group 2013 RM'000
At beginning of year	-	-
Allowance for the year	238	-
At end of year	238	-

The following table provides information on the trade receivables' credit risk exposure.

	Group 2014 RM'000	Group 2013 RM'000
Not impaired or past due	4,536	14,187
1 – 30 days past due not impaired	3,400	3,044
31 – 60 days past due not impaired	119	801
61 – 90 days past due not impaired	226	1,035
91 – 120 days past due not impaired	528	503
	8,809	19,570
Impaired	238	-
	9,047	19,570

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

21. Other receivables, deposits and prepayments

	Group 2014 RM'000	Group 2013 RM'000
Deposits for purchase of raw materials and merchandise	3,105	1,043
Deposits for acquisition of equipment	584	50
Other receivables and deposits	1,461	2,231
Prepayments	867	884
	6,017	4,208
Less: Allowance for doubtful debts		
At beginning of year	-	-
Allowance for doubtful debts	974	-
At end of year	(974)	-
	5,043	4,208

	Company 2014 RM'000	Company 2013 RM'000
Amount due from subsidiaries	48,846	44,184
Other receivables, deposits and prepayments	999	1,124
	49,845	45,308
Less: Allowance for doubtful debts		
At beginning of year	497	17,815
Allowance made during the year	2,179	497
Write off	-	(17,815)
At end of year	(2,676)	(497)
	47,169	44,811

Amount due from subsidiaries represents unsecured interest free advances receivable on demand.

Amounts due from debtors that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties. These receivables are not secured by any collateral or credit enhancements.

22. Fixed deposits with licensed banks

	Group 2014	Group 2013
Weighted average effective interest rate (%)	1.05	1.05
Weighted average maturity (days)	82	82

The fixed deposits of the Group amounting of RM Nil (2013: RM765,000) have been pledged to bank for facilities granted as disclosed in Note 27.

Fixed deposits of the Group amounting to RM235,000 (2013: RM Nil) have been pledged with a licensed bank to secure bank guarantee facilities.

23. Cash and bank balances

Included under cash and bank balances of the Group is RM6,888,000 (2013: RM22,684,000) that represents sinking fund accounts with banks for facilities granted as disclosed in Note 27.

24. Trade payables

The normal trade credits granted to the Group range from 30 days to 90 days (2013: 30 to 90 days).

25. Other payables and accruals

	Group 2014 RM'000	Group 2013 RM'000
Assumption of liabilities of a former subsidiary	945	892
Amount due to an associate	-	2,383
Amount due to companies with common director	44	33
Amount due to a shareholder	1,414	-
Advances received from customers	8,312	4,095
Other payables and accruals	9,945	8,614
	20,660	16,017

	Company 2014 RM'000	Company 2013 RM'000
Financial guarantee liabilities:		
At beginning of year	4,978	4,800
Addition during the year	-	1,347
Amortisation for the year	(2,460)	(1,169)
At end of year	2,518	4,978
Less: Non current portion	(2,333)	(4,609)
Current portion	185	369
Amount due to subsidiaries	42,198	45,334
Amount due to an associate	-	2,365
Amount due to companies with common director	16	33
Amount due to a shareholder	1,414	-
Assumption of liabilities of a former subsidiary	945	892
Other payables and accruals	2,542	576
	47,300	49,569

	Company 2014 RM'000	Company 2013 RM'000
The non current portion of the present value of financial guarantee liabilities is to be amortised as follows:		
Later than 1 year and not later than 2 years	173	341
Later than 2 years and not later than 5 years	445	879
Later than 5 years	1,715	3,389
	2,333	4,609

The amounts due to subsidiaries, companies with common director, a shareholder and an associate represent unsecured interest free advances repayable on demand.

The financial guarantee liabilities relate to corporate guarantees provided by the Company to certain banks for banking facilities amounting to RM18,976,000 (2013: RM44,296,000) taken by certain subsidiaries.

26. Hire purchase and finance lease liabilities

	Group 2014 RM'000	Group 2013 RM'000
Outstanding obligations	126	200
Less: Future finance charges	(11)	(20)
Present value of liabilities	115	180
Less: Portion due within one year	(52)	(66)
Non current portion	63	114
The non current portion of the present value of liabilities is payable as follows:		
Later than 1 year and not later than 2 years	40	55
Later than 2 years and not later than 5 years	23	59
	63	114

These liabilities are subject to effective interest rate of 4.79 % (2013: 4.79%) per annum.

	Company 2014 RM'000	Company 2013 RM'000
Outstanding obligations	59	96
Less: Future finance charges	(2)	(5)
Present value of liabilities	57	91
Less: Portion due within one year	(31)	(34)
Non current portion	26	57
The non current portion of the present value of liabilities is payable as follows:		
Later than 1 year and not later than 2 years	26	35
Later than 2 years and not later than 5 years	-	22
	26	57

These liabilities are subject to effective interest rate of 4.50% (2013: 4.50%) per annum.

27. Short term borrowings

	Group 2014 RM'000	Group 2013 RM'000
Secured:		
Trade finance	13,986	73,263
Long term loans – current portion (Note 28)	5,827	-
	19,813	73,263

The effective interest rates are as follows:

	Group 2014 %	Group 2013 %
Trade finance	3.8	6.46
Term loans	4.6	-

27. **Short term borrowings** (continued)

The above banking facilities are secured by way of:

Group	**Carrying amount 2014 RM'000**	**Carrying amount 2013 RM'000**
Property, plant and equipment (Note 10)	33,106	29,395
Investment properties (Note 11)	-	9,151
Inventories (Note 19)	41,402	44,231
Trade receivables (Note 20)	7,961	15,558
Fixed deposits with licensed banks (Note 22)	-	765
Cash and bank balances - sinking fund account (Note 23)	6,888	22,684
Company		
Property, plant and equipment (Note 10)	9,169	9,600
Investment properties (Note 11)	-	9,151

The above banking facilities are also secured by way of:

(i) corporate guarantees by the Company for facilities of the subsidiaries; and
(ii) first fixed and floating charge on all the present and future assets of a subsidiary by way of debenture.

28. **Long term loans**

	Group 2014 RM'000	**Group 2013 RM'000**
Amount outstanding	33,419	-
Less: Portion due within one year (Note 27)	(5,827)	-
Non current portion	27,592	-

The non-current portion of long term loans is payables as follows:

Later than 1 year and not later than 2 years	5,994	-
Later than 2 years and not later than 5 years	17,858	-
Later than 5 years	3,740	-
	27,592	-

The long term loans are secured as disclosed in Note 27.

29. **Retirement benefit obligations**

	Group 2014 RM'000	**Group 2013 RM'000**
Present value of retirement benefit obligations	1,840	1,473

29. **Retirement benefit obligations** (continued)

The movements in the retirement benefit obligations in the reporting period are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
At beginning of year	1,473	1,689
Recognised in profit or loss	331	437
Recognised in other comprehensive income	52	(227)
Benefits paid	(124)	(165)
Exchange differences	108	(261)
At end of year	1,840	1,473

Amounts recognised as an expense in profit or loss can be analysed as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Current service cost	218	162
Interest on obligation	113	79
Past service cost	-	196
	331	437

Amounts recognised in other comprehensive income during the reporting period are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Remeasurement of net retirement benefit obligations		
- actuarial loss/(gain)	52	(227)

The Group provides for retirement benefit obligations in respect of its overseas subsidiary, PT Ho Wah Genting, in accordance with the provisions of Labour Law 13/2003 established in Indonesia. Under the benefits plan, the benefits are payable upon attaining the normal retirement age or upon resignation of employees.

The provision for employee retirement benefits is determined by independent actuarial valuations using the Projected Unit Credit Method and is made to cover estimated obligations for payment of retirement benefits to employees. The latest actuarial valuation was performed on 31 December 2014.

The principal actuarial assumptions used are as follows:

	Group	
	2014	**2013**
Discount rate	8.00%	8.5%
Future salary increase	6.00%	5.0%
Disable rate	10% of mortality rate	10% of mortality rate
Voluntary resignation rate	2.5%	2.5%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experiences in Indonesia.

29. **Retirement benefit obligations** (continued)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligations as of the end of the reporting period, assuming if all other assumptions were held constant:

	Change in assumption	2014		2013	
		Impact on retirement benefit obligations			
		Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Discount rate	1%	33	(28)	24	(20)
Future salary increase	1%	33	(28)	24	(20)
Disable rate	5%	1	(1)	1	(1)
Mortality rate	10%	1	(1)	1	(1)
Voluntary resignation rate	1%	16	(13)	9	(7)

30. **Share capital**

	2014 No. of ordinary shares of RM0.20 each '000	2013 No. of ordinary shares of RM0.20 each '000
Authorised:		
At beginning/end of year	2,500,000	2,500,000
Issued and fully paid:		
At beginning of year	591,033	537,088
Issue of shares pursuant to ESOS	-	217
Issue of shares pursuant to private placement	-	53,728
At end of year	591,033	591,033

	2014 RM'000	2013 RM'000
Authorised:		
At beginning/end of year	500,000	500,000
Issued and fully paid:		
At beginning of year	118,206	107,418
Issue of shares pursuant to ESOS	-	43
Issue of shares pursuant to private placement	-	10,745
At end of year	118,206	118,206

In the previous reporting period, the Company increased its issued and paid up share capital from RM107,417,529 to RM118,206,669 by way of:

(a) Issuance of 217,300 new ordinary shares of RM0.20 each for cash pursuant to the Company's Employees' Shares Option Scheme at an exercise price of RM0.20 per ordinary share; and

(b) Issuance of 53,728,400 new ordinary shares of RM0.20 each in the Company for cash pursuant to the Company's private placement exercise at an issue price of RM0.255 per share. These shares were issued for working capital purposes. The resulting share premium arising from the private placement amounting to RM2,955,062 has been credited to the share premium account.

30. **Share capital** (continued)

Warrants 2010/2015

The Company had on 9 April 2010 issued 137,888,954 Warrants in conjunction with the renounceable rights issue. The Warrants 2010/2015 are constituted by a Deed Poll dated 2 March 2010 ("Deed Poll"). On 26 August 2011, additional 4,291,073 Warrants 2010/2015 were issued to entitled Warrant 2010/2015 holders.

The salient features of the Warrants are as follows:

(a) The issue date of the Warrants is on 9 April 2010 and the expiry date is on 8 April 2015. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder the right to subscribe for one (1) new ordinary share of RM0.20 each in the Company at an exercise price of RM0.20 per ordinary share until the expiry of the exercise period;

(c) The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

(d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), unless and until such Warrant holders exercise their rights to subscribe for new ordinary shares; and

(e) The new ordinary shares to be issued upon exercise of the Warrants, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

The movement in the Company's Warrants during the reporting period are as follows :

	Entitlement for ordinary shares of RM0.20 each				
	Balance at 1.1.2014 '000	**Issued '000**	**Exercised '000**	**Expired '000**	**Balance at 31.12.2014 '000**
Number of unexercised warrants	142,180	-	-	-	142,180

Warrants 2011/2016

The Company had on 23 September 2011 issued 11,848,032 Warrants in conjunction with the renounceable rights issue. The Warrants 2011/2016 are constituted by a Deed Poll dated 4 August 2011 ("Deed Poll").

The salient features of the Warrants 2011/2016 are as follows:

(a) The issue date of the Warrants is on 23 September 2011 and the expiry date is on 22 September 2016. Any Warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant entitles the registered holder the right to subscribe for one (1) new ordinary share of RM0.20 each in the Company at an exercise price of RM0.20 per ordinary share until the expiry of the exercise period;

30. **Share capital** (continued)

Warrants 2011/2016 (continued)

(c) The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

(d) The Warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), unless and until such Warrant holders exercise their rights to subscribe for new ordinary shares; and

(e) The new ordinary shares to be issued upon exercise of the Warrants, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants.

The movements in the Company's Warrants 2011/2016 during the reporting period are as follows:

	Entitlement for ordinary shares of RM0.20 each				
	Balance at 1.1.2014 '000	**Issued '000**	**Exercised '000**	**Expired '000**	**Balance at 31.12.2014 '000**
Number of unexercised warrants	11,848	-	-	-	11,848

31. **Employees' Share Option Scheme**

The Company implemented an Employees' Share Option Scheme ("ESOS") which is governed by the ESOS By-Laws and was approved by its shareholders at the Extraordinary General Meeting held on 16 December 2009.

The salient features of the ESOS are as follows:

(a) The ESOS was implemented on 10 February 2010 and was in force for a period of 10 years until 9 February 2020 in accordance with the terms of the ESOS By-Laws;

(b) The total number of new shares to be offered pursuant to the ESOS shall be subject to a maximum of 10% of the Company's issued and paid up share capital (excluding treasury shares) at any one time;

(c) Employees (including Executive Directors) of the Company or its subsidiaries shall be eligible to participate in the ESOS, if as at the date of offer, the employee:

  (i) has attained the age of eighteen (18) years;
  (ii) is employed by and on the payroll of the Company or its subsidiaries; and
  (iii) has been in the employment of the Company or the subsidiaries for a period of at least twelve full months of continuous services, including service during the probation period and whose employment has been confirmed.

  The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the ESOS shall be approved by the shareholders of the Company in the general meeting;

31. **Employees' Share Option Scheme** (continued)

(d) The price payable upon exercise of ESOS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%, or at the par value of the Company's share, whichever is higher;

(e) In the event that share buy-back exercise of the Company resulting in the number of options that have been offered under the ESOS exceeding 10% of the issued and paid up share capital of the Company, there shall be no granting of additional options at any point in time after the share buy-back, unless the number of options that have been granted under the ESOS falls below 10% of the issued and paid up share capital of the Company;

(f) The new ordinary shares to be issued upon exercise of the ESOS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the ESOS; and

(g) The exercise price and the number of new ordinary shares comprised in the ESOS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the ESOS By-Laws. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company.

The movement in the Company's ESOS are as follows:

		Number of options over ordinary shares of RM0.20 each				
Offer Date	**Exercise price per ordinary shares**	**Balance at 1.1.2014 '000**	**Granted '000**	**Lapsed '000**	**Exercised '000**	**Balance at 31.12.2014 '000**
18 June 2010	RM0.20	5,790	-	-	-	5,790

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the reporting period:

	Group			
	2014		**2013**	
	No. '000	**WAEP RM**	**No. '000**	**WAEP RM**
Outstanding at 1 January	5,790	0.20	6,019	0.20
- Exercised	-	0.20	(217)	0.20
- Lapsed	-	0.20	(12)	0.20
Outstanding at 31 December	5,790	0.20	5,790	0.20
Exercisable at 31 December	5,790	0.20	5,790	0.20

The weighted average share price at the date of exercise of the options exercised during the previous reporting period was RM0.20.

32. Reserves

	Group 2014 RM'000	Group 2013 RM'000
Accumulated losses	(91,539)	(69,901)
Non distributable:		
Share premium	21,606	21,606
Fair value adjustment reserve	(60)	(53)
Revaluation reserve	6,577	6,577
Employee share option reserve	352	352
Warrant reserve	13,640	13,640
Other reserve	(13,640)	(13,640)
Foreign currency translation reserve	(602)	(223)
	27,873	28,259
	(63,666)	(41,642)

	Company 2014 RM'000	Company 2013 RM'000
Accumulated losses	(75,874)	(34,788)
Non distributable:		
Share premium	21,606	21,606
Revaluation reserve	3,910	3,910
Employee share option reserve	352	352
Warrant reserve	13,640	13,640
Other reserve	(13,640)	(13,640)
	25,868	25,868
	(50,006)	(8,920)

Share premium represents the excess of the consideration received over the nominal value of the shares issued by the Company.

The revaluation reserve represents revaluation surplus arising from buildings. The revaluation reserve is used to record increases in the fair value of buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

The warrant reserve and other reserve represent the reserves arising from the rights issue with free detachable warrants. These reserves are determined based on the estimated fair value of the warrants immediately upon the listing and quotation thereof.

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available for sale financial assets until they are disposed of or impaired.

Employee share option reserve represents the equity settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity settled share options, and is reduced by the expiry or exercise of the share options.

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

33. Commitments

Capital commitments	Group 2014 RM'000	Group 2013 RM'000
Capital expenditure not provided for in the financial statements are as follows:		
Authorised and contracted for	50	1,501
Analysed as follows:		
Plant and equipment	50	1,501

Rental commitments	Group 2014 RM'000	Group 2013 RM'000
The future minimum lease payments under non cancellable operating leases are as follows:		
Not later than 1 year	168	264
Later than 1 year and not later than 2 years	396	186
Later than 2 years and not later than 5 years	22	471
	586	921

Rental commitments	Company 2014 RM'000	Company 2013 RM'000
The future minimum lease payments under non cancellable operating leases are as follows:		
Not later than 1 year	44	44
Later than 1 year and not later than 2 years	44	44
Later than 2 years and not later than 5 years	22	66
	110	154

34. Significant related party disclosures

34.1 Related party transactions

Name of company	Type of transactions	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Significant transactions with related parties are as follows:					
With subsidiaries:					
Ho Wah Genting Trading Sdn Bhd	Management fees	-	-	128	128
Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd)	Rental income	-	-	4	-

34.1 **Related party transactions** (continued)

		Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
With an associate:					
Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd)	Purchase	32	31	32	26
	Rental income	20	24	20	24
With companies with common director:					
CVM Magnesium Sdn Bhd	Rental income	48	72	48	72
Connectcounty Holdings Berhad	Rental income	44	16	44	16

The directors are of the opinion that the terms and conditions and prices of the above transactions are not materially different from that obtainable in transactions with unrelated parties.

34.2 **Related party balances**

	Type of transactions	Group 2014 RM'000	Group 2013 RM'000
Individually significant outstanding balances arising from transactions other than normal trade transactions are as follows:			
Financial liabilities			
With companies with common director:			
CVM Magnesium Sdn Bhd	Advances	28	-
	Rental deposits	-	24
Connectcounty Holdings Berhad	Rental deposits	-	9
CVM International Marketing Sdn Bhd	Rental deposits	16	-
With a shareholder:			
Dato' Lim Hui Boon	Advances	1,414	-
With an associate:			
Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd)	Advances	-	2,383

34.2 **Related party balances** (continued)

	Type of transactions	Company 2014 RM'000	2013 RM'000
Financial assets			
With subsidiaries:			
HWG Tin Mining Sdn Bhd	Advances	44,313	41,983
PT. Ho Wah Genting	Advances	22	48
HWG Consortium Sdn Bhd	Advances	513	497
	Allowance for doubtful debts	(513)	(497)
		-	-
Skyflower Sdn Bhd	Advances	3	2
	Allowance for doubtful debts	(3)	-
		-	2
Vitaxel Sdn Bhd	Advances	1,985	607
Marvel Theme Park City Sdn Bhd	Advances	-	39
With subsidiary of Rex Oriental Sdn Bhd:			
Orient Sun Motors Sdn Bhd	Advances	2,010	1,008
	Allowance for doubtful debts	(1,400)	-
		610	1,008
Financial liabilities			
With subsidiaries:			
Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd)	Advances	2,221	-
	Rental deposits	4	-
Ho Wah Genting Kintron Sdn Bhd	Advances	11,532	11,532
Ho Wah Genting (Labuan) Ltd	Advances	406	387
Ho Wah Genting Trading Sdn Bhd	Advances	10,173	15,553
HWG Minerals Sdn Bhd	Advances	17,862	17,862
With a shareholder:			
Dato' Lim Hui Boon	Advances	1,414	-
With companies with common director:			
CVM Magnesium Sdn Bhd	Rental deposits	-	24
Connectcounty Holdings Berhad	Rental deposits	-	9
CVM International Marketing Sdn Bhd	Rental deposits	16	-

34.2 **Related party balances** (continued)

	Type of transactions	Company 2014 RM'000	Company 2013 RM'000
With an associate:			
Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd)	Advances	-	2,365

34.3 **Compensation of key management personnel**

The key management personnel comprises mainly executive directors of the Company whose remuneration is disclosed in Note 6.

35. Segment information of the Group

For management purposes, the Group is organised into business units based on their products and services, and has seven reportable operating segments as follows:

Investment	-	Investment in properties and investment by the holding company
Moulded power supply cord sets	-	Manufacturing and trading of wires and cables, moulded power supply cord sets and cable assemblies for electrical and electronic devices and equipment
Wires and cables	-	Trading of wires and cables
Automotive	-	Trading of motor vehicles
Mining	-	Tin mining and its related activities
Travelling services	-	Travel agent and tour related services
Direct selling	-	Selling of travel kits

Management monitors the operating results of its business units and relies on the segment information as disclosed below for the purpose of making decisions about resource allocation and performance assessment.

The directors together with the management are of the opinion that all inter segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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35. **Segment information of the Group** (continued)

2014	Investment RM'000	Moulded power supply cord sets RM'000	Wires and cables RM'000	Automotive RM'000	Mining RM'000	Direct selling RM'000	Travelling services RM'000	Total RM'000	Elimination RM'000	Group RM'000
Revenue										
External revenue	610	172,914	13,930	660	2,083	182	648	191,027	-	191,027
Inter-segment revenue	132	12,147	-	74	-	-	9	12,362	(12,362)	-
Total revenue	742	185,061	13,930	734	2,083	182	657	203,389	(12,362)	191,027
Results										
(Loss)/Profit from operations before interest income and dividend income	(41,858)	(2,508)	312	(4,196)	(3,017)	(1,213)	76	(52,404)	33,803	(18,601)
Dividend income	-	3	-	-	-	-	-	3	-	3
Interest income	-	10	-	-	2	-	5	17	-	17
(Loss)/Profit from operations	(41,858)	(2,495)	312	(4,196)	(3,015)	(1,213)	81	(52,384)	33,803	(18,581)
Finance costs	(3)	(3,876)	(708)	-	(5)	-	-	(4,592)	-	(4,592)
Share in losses of associate	(74)	-	-	-	-	-	-	(74)	-	(74)
(Loss)/Profit before tax	(41,935)	(6,371)	(396)	(4,196)	(3,020)	(1,213)	81	(57,050)	33,803	(23,247)
Income tax expense	62	48	(300)	-	-	-	-	(190)	-	(190)
Net (loss)/profit for the year	(41,873)	(6,323)	(696)	(4,196)	(3,020)	(1,213)	81	(57,240)	33,803	(23,437)
Non controlling interests	9	-	-	361	1,480	-	1	1,851	-	1,851
(Loss)/Profit attributable to owners of the Company	(41,864)	(6,323)	(696)	(3,835)	(1,540)	(1,213)	82	(55,389)	33,803	(21,586)

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35. Segment information of the Group (continued)

2014	Investment RM'000	Moulded power supply cord sets RM'000	Wires and cables RM'000	Automotive RM'000	Mining RM'000	Direct selling RM'000	Travelling services RM'000	Total RM'000	Elimination RM'000	Group RM'000
Assets and liabilities										
Segment assets	137,425	126,329	45,678	1,435	29,135	927	2,585	343,514	(193,475)	150,039
Consolidated total assets	137,425	126,329	45,678	1,435	29,135	927	2,585	343,514	(193,475)	150,039
Segment liabilities	50,503	110,528	32,533	2,295	46,985	2,059	241	245,144	(140,400)	104,744
Consolidated total liabilities	50,503	110,528	32,533	2,295	46,985	2,059	241	245,144	(140,400)	104,744

35. **Segment information of the Group** (continued)

2014	Investment RM'000	Moulded power supply cord sets RM'000	Wires and cables RM'000	Automotive RM'000	Mining RM'000	Direct selling RM'000	Travelling services RM'000	Total RM'000	Elimination RM'000	Group RM'000
Other information										
Capital expenditure	54	2,540	-	5	144	91	16	2,850	(15)	2,835
Amortisation of intangible assets	-	-	-	-	8	72	-	80	-	80
Amortisation of financial guarantee liabilities	(2,460)	-	-	-	-	-	-	(2,460)	2,460	-
Depreciation										
- property, plant and equipment	587	3,294	2	76	211	8	2	4,180	-	4,180
- investment properties	236	-	-	-	-	-	-	236	-	236
Material non cash items other than depreciation and amortisation										
- Allowance for doubtful debts	2,179	-	-	-	237	215	-	2,631	(1,419)	1,212
- Bad debts written off	11	-	-	-	-	-	-	11	-	11
- Unrealised loss on foreign exchange	79	60	436	-	-	-	-	575	(519)	56
- Retirement benefit obligations	-	331	-	-	-	-	-	331	-	331
- Unrealised gain on foreign exchange	-	(77)	(436)	(33)	-	-	-	(546)	-	(546
- Impairment loss of available for sale financial assets	2,538	-	-	-	-	-	-	2,538	-	2,538
- Impairment loss of investment in subsidiaries	34,081	-	-	-	-	-	-	34,081	(34,081)	-
- Impairment loss on goodwill	-	-	-	3,025	-	-	-	3,025	-	3,025
- Deposits written off	-	-	-	-	-	123	-	123	(8)	115
- Impairment loss of investment in an associate	43	-	-	-	-	-	-	43	(43)	-

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35. **Segment information of the Group** (continued)

2013	Investment RM'000	Moulded power supply cord sets RM'000	Wires and cables RM'000	Automotive RM'000	Mining RM'000	Total RM'000	Elimination RM'000	Group RM'000
Revenue								
External revenue	674	208,350	18,112	569	1,492	229,197	-	229,197
Inter-segment revenue	128	16,416	-	-	-	16,544	(16,544)	-
Total revenue	802	224,766	18,112	569	1,492	245,741	(16,544)	229,197
Results								
(Loss)/Profit from operations before interest income and dividend income	(11,103)	(2,074)	422	(82)	(3,049)	(15,886)	(5,307)	(21,193)
Interest income	45	11	-	-	12	68	-	68
(Loss)/Profit from operations	(11,058)	(2,063)	422	(82)	(3,037)	(15,818)	(5,307)	(21,125)
Finance costs	(7)	(4,290)	(386)	-	(5)	(4,688)	-	(4,688)
Share in losses of associate	(10)	-	-	-	-	(10)	-	(10)
(Loss)/Profit before tax	(11,075)	(6,353)	36	(82)	(3,042)	(20,516)	(5,307)	(25,823)
Income tax expense	-	-	(300)	-	-	(300)	-	(300)
Net loss for the year	(11,075)	(6,353)	(264)	(82)	(3,042)	(20,816)	(5,307)	(26,123)
Non controlling interests	1,692	-	-	-	-	1,692	-	1,692
Loss attributable to owners of the Company	(9,383)	(6,353)	(264)	(82)	(3,042)	(19,124)	(5,307)	(24,431)

HO WAH GENTING BERHAD
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35. **Segment information of the Group** (continued)

2013	Investment RM'000	Moulded power supply cord sets RM'000	Wires and cables RM'000	Automotive RM'000	Mining RM'000	Total RM'000	Elimination RM'000	Group RM'000
Assets and liabilities								
Segment assets	183,529	149,899	47,508	4,519	29,422	414,877	(227,768)	187,109
Investment in an associate	1,030	-	-	-	-	1,030	-	1,030
Consolidated total assets	184,559	149,899	47,508	4,519	29,422	415,907	(227,768)	188,139
Segment liabilities	52,480	128,336	33,668	1,183	44,238	259,905	(140,922)	118,983
Consolidated total liabilities	52,480	128,336	33,668	1,183	44,238	259,905	(140,922)	118,983
Other information								
Capital expenditure	18	2,578	-	11	1,504	4,111	-	4,111
Amortisation of intangible assets	6	-	-	-	8	14	-	14
Amortisation of financial guarantee liabilities	1,169	-	-	-	-	1,169	(1,169)	-
Depreciation								
- property, plant and equipment	404	5,947	1	13	234	6,599	-	6,599
- investment properties	284	-	-	-	-	284	-	284
Loss on disposal of property, plant and equipment	-	38	-	-	-	38	-	38
Gain on disposal of available for sale financial assets	-	7	-	-	-	7	-	7
Material non cash items other than depreciation and amortisation								
- Allowance for doubtful debts	497	-	-	-	-	497	(497)	-
- Bad debts written off	6	8	-	-	-	14	-	14
- Unrealised loss on foreign exchange	83	-	290	-	-	373	-	373
- Retirement benefit obligations	-	437	-	-	-	437	-	437
- Unrealised gain on foreign exchange	-	847	-	-	-	847	-	847
- Impairment loss of available for sale financial assets	10,912	6	-	-	-	10,918	-	10,918
- Impairment loss of investment in subsidiaries	181	-	-	-	-	181	(181)	-

35. **Segment information of the Group** (continued)

Customers segment information

Revenue from transactions with major customers arising from sales by the moulded power supply cord sets segment that individually accounted for 10 percent or more of the Group's revenue are summarised below:

	2014 RM'000	2013 RM'000
Customer A	44,284	45,085
Customer B	-	25,260
Customer C	-	25,116
Customer D	31,747	24,474
	76,031	119,935

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue		Non current assets	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	17,841	20,847	40,227	49,549
Asia	19,449	12,774	23,046	26,924
North America	153,737	195,576	-	-
	191,027	229,197	63,273	76,473

Non current assets information presented above consist of property, plant and equipment, investment properties, exploration and evaluation assets, intangible assets, investment in an associate and goodwill on consolidation as presented in the statements of financial position.

36. **Fair value of assets and liabilities**

36.1 **Fair value hierarchy**

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

36.2 Assets measured at fair value

The following table provides an analysis of each class of assets measured at fair value at the end of the reporting period:

	Group 2014 Fair value measurements at the end of the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets:				
Available for sale financial assets				
Quoted shares	5,990	-	-	5,990
Non recurring fair value measurements				
Non financial assets:				
Property, plant and equipment				
Buildings	-	18,495	-	18,495

	2013 Fair value measurements at the end of the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets:				
Available for sale financial assets				
Quoted shares	12,682	-	-	12,682
Non recurring fair value measurements				
Non financial assets:				
Property, plant and equipment				
Buildings	-	18,918	-	18,918

There were no transfers between Levels 1 and 2 in the current and previous reporting period.

36.2 **Assets measured at fair value** (continued)

	Company 2014 Fair value measurements at the end of the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets:				
Available for sale financial assets				
Quoted shares	5,890	-	-	5,890
Non recurring fair value measurements				
Non financial assets:				
Property, plant and equipment				
Buildings	-	9,169	-	9,169
Investment in subsidiaries				
Impaired subsidiaries carried at fair value less cost of disposal	-	-	38,835	38,835

	Company 2013 Fair value measurements at the end of the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial assets:				
Available for sale financial assets				
Quoted shares	12,575	-	-	12,575
Non recurring fair value measurements				
Non financial assets:				
Property, plant and equipment				
Buildings	-	9,627	-	9,627
Investment in subsidiaries				
Impaired subsidiaries carried at fair value less cost of disposal	-	-	38,835	38,835

There were no transfers between Levels 1 and 2 in the current and previous reporting period.

Valuation techniques used to derive Level 2 fair values

The fair values of buildings have been derived using the sales comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

36.3 Assets not carried at fair value but for which fair value is disclosed

The following table provides an analysis of each class of assets not measured at fair value at the end of the reporting period but for which fair value is disclosed:

	Group and Company 2013 Fair value measurements at the end of the reporting period using			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Non financial assets:				
Investment properties				
Leasehold land and building	-	10,000	-	10,000

Valuation techniques used to derive Level 2 fair values

The fair values of leasehold land and building have been derived using the sales comparison approach. Sales prices of comparable leasehold land and building in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

36.4 Financial assets and financial liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, receivables and payables, and other liabilities approximate their respective fair values due to the respective short-term maturity of these financial instruments.

The fair values of the Groups' term loans and hire purchase and finance lease liabilities approximate their carrying amount. Term loans are floating rate instruments that are re-priced to market interest rates on or near the reporting date. Hire purchase and finance lease liabilities approximates their carrying amount as these instruments were entered with interest rates which are reasonable approximation of the market interest rates on or near reporting date.

The fair values of financial assets and financial liabilities are determined with standard terms and conditions.

37. Events subsequent to the reporting date

a) On 13 February 2015, the Group has completed an internal group restructuring involving the Company, Vitaxel Sdn Bhd ("Vitaxel") and Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd) ("HWGH") by transferring the Company's 100% equity interest in Vitaxel to HWGH, for a cash consideration of RM120,000; and

b) On 25 March 2015, the Group announced the decision to dispose of the entire 70% equity interest in Orient Sun Motors Sdn Bhd ("OSM") held by Rex Oriental Sdn Bhd for a cash consideration of RM595,000. OSM is currently reported in the automotive segment of the Group. The disposal was completed on 2 April 2015.

38. Financial instruments, financial risks and capital risk management

38.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group 2014 RM'000	Group 2013 RM'000
Financial assets		
Available for sales:		
- other financial assets	5,990	12,682
Loans and receivables:		
- trade and other receivables	9,296	21,801
- cash and cash equivalents	11,847	29,817
	27,133	64,300

	Group 2014 RM'000	Group 2013 RM'000
Financial liabilities		
Amortised cost:		
- borrowings (floating rate)	19,813	73,263
- term loans (floating rate)	27,592	-
- hire purchase and finance lease liabilities (fixed rate)	115	180
- trade and other payables (non interest bearing)	44,996	37,758
	92,516	111,201

	Company 2014 RM'000	Company 2013 RM'000
Financial assets		
Available for sales:		
- other financial assets	5,890	12,575
Loans and receivables:		
- trade and other receivables	47,169	44,796
- cash and cash equivalents	1,287	329
	54,346	57,700
Financial liabilities		
Amortised cost:		
- hire purchase and finance lease liabilities (fixed rate)	57	91
- trade and other payables (non interest bearing)	49,633	54,178
	49,690	54,269

38.2 **Financial risk management objectives and policies**

The Group's overall financial risk management programme seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

Foreign exchange risk management

The Group operates internationally and is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	Net Financial Assets/(Liabilities) Held in Non-Functional Currencies						
Functional currency of the Group	**Hong Kong Dollar RM'000**	**Indonesian Rupiah RM'000**	**United States Dollar RM'000**	**Singapore Dollar RM'000**	**Ringgit Malaysia RM'000**	**Taiwan Dollar RM'000**	**Total RM'000**
At 2014							
Ringgit Malaysia	5,890	-	(5,831)	-	-	774	833
United States Dollar	-	(1,444)	-	(2,857)	-	-	(4,301)
	5,890	(1,444)	(5,831)	(2,857)	-	774	(3,468)
At 2013							
Ringgit Malaysia	12,575	-	(10,604)	-	-	-	1,971
United States Dollar	-	(1,191)	-	(1,039)	(26)	-	(2,256)
	12,575	(1,191)	(10,604)	(1,039)	(26)	-	(285)

Net Financial Assets/(Liabilities) Held in Non-Functional Currencies

Functional currency of the Company	**Hong Kong Dollar RM'000**	**United States Dollar RM'000**	**Total RM'000**
At 2014			
Ringgit Malaysia	5,890	(406)	5,484
At 2013			
Ringgit Malaysia	12,575	(387)	12,188

38.2 **Financial risk management objectives and policies** (continued)

Foreign exchange risk management (continued)

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of the Group. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted at the reporting period end for a 10% change in foreign currency rates. If the relevant foreign currencies strengthen by 10% against the functional currency of the Group, loss before tax will (increase)/decrease by:

	Group	
	2014	2013
	RM'000	RM'000
Functional currency in Ringgit Malaysia		
United States Dollar	(583)	(1,060)
Taiwan Dollar	77	-
Hong Kong Dollar	589	1,257

	Group	
	2014	2013
	RM'000	RM'000
Functional currency in United States Dollar		
Indonesian Rupiah	(144)	(119)
Singapore Dollar	(286)	(104)
Ringgit Malaysia	-	(3)

	Company	
	2014	2013
	RM'000	RM'000
Functional currency in Ringgit Malaysia		
United States Dollar	(41)	(39)
Hong Kong Dollar	589	1,258

The opposite applies if the relevant foreign currencies weaken by 10% against the functional currency of the Group.

Interest rate risk management

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

The sensitivity analysis below have been determined based on the exposure to interest rates for the banking facilities at the reporting date. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group and the Company's loss before tax would increase/decrease by RM237,000 (2013: RM367,000) and RM Nil (2013: RM Nil) respectively.

38.2 **Financial risk management objectives and policies** (continued)

Credit risk management

The Group's credit risk is primarily attributable to its trade and other receivables and cash and bank balances. Credit risks are managed by the application of credit approvals limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. For other financial assets including cash and bank balances, the Group minimises credit risk by dealing exclusively with high credit rating counterparties. The Group performs ongoing credit evaluation of its customers and generally does not require collateral on account receivables. At reporting date, there were no significant concentrations of credit risk other than as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Amount due from a customer	6,477	-
Bank balance with a financial institution	-	21,373
	6,477	21,373

	Company	
	2014	**2013**
	RM'000	**RM'000**
Amount due from a subsidiary	44,313	41,983

Management believes that the sound financial standing of the customer and the financial institution substantially mitigates the Group's exposure to credit risk.

The amount receivable from customers in United States of America represented approximately 82% (2013: 85%) of the total trade receivables of the Group.

The Company provides unsecured financial guarantees to licensed banks in respect of banking facilities granted to subsidiaries. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by the subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. The maximum exposure to credit risk amounts to RM18,640,000 (2013: RM40,857,000) representing the outstanding banking facilities of the subsidiaries as at reporting date.

Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance their activities. The Group finances its operations by a combination of equity and bank borrowings.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

38.2 **Financial risk management objectives and policies** (continued)

Liquidity risk

Group	Carrying amount RM'000	Contractual cash flows (including interest payments) Total RM'000	On demand or within 1 year RM'000	Within 1 to 2 years RM'000	Within 2 to 5 years RM'000	More than 5 years RM'000
2014						
Non interest bearing debts	44,996	44,996	44,996	-	-	-
Hire purchase and finance lease liabilities (fixed rate)	115	130	62	42	26	-
Loans and borrowings (floating rate)	47,405	57,283	22,419	7,968	20,656	6,240
	92,516	102,409	67,477	8,010	20,682	6,240
2013						
Non interest bearing debts	41,853	41,853	41,853	-	-	-
Hire purchase and finance lease liabilities (fixed rate)	180	200	73	62	65	-
Loans and borrowings (floating rate)	73,263	77,514	77,514	-	-	-
	115,296	119,567	119,440	62	65	-

38.2 **Financial risk management objectives and policies** (continued)

Liquidity risk (continued)

Company		Contractual cash flows (including interest payments)			
	Carrying amount RM'000	Total RM'000	On demand or within 1 year RM'000	Within 1 to 2 years RM'000	Within 2 to 5 years RM'000
2014					
Non interest bearing debts (excluding financial guarantee liabilities)	47,115	47,115	47,115	-	-
Hire purchase and finance lease liabilities (fixed rate)	57	59	37	22	-
	47,172	47,174	47,152	22	-
2013					
Non interest bearing debts (excluding financial guarantee liabilities)	49,200	49,200	49,200	-	-
Hire purchase and finance lease liabilities (fixed rate)	91	96	37	37	22
	49,291	49,296	49,237	37	22

38.2 **Financial risk management objectives and policies** (continued)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments are listed on the Bursa Malaysia Securities Berhad and The Stock Exchange of Hong Kong Limited, and are classified as available for sale financial assets.

Management of the Group monitors the equity instruments on a portfolio basis. Material instruments within the portfolio are managed on an individual basis and all buy and sell decisions are by the executive directors.

The effect of a 10% strengthening in the specified stock prices at the end of the reporting period with all other variables held constant would have increased the fair value adjustment reserve in equity and other comprehensive income as follows:

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Entities listed in:				
Bursa Malaysia Securities Berhad	10	11	-	-
The Stock Exchange of Hong Kong Limited	589	1,257	589	1,257

A 10% weakening in specified stock prices would have equal but opposite effect on the fair value adjustment reserve in equity and other comprehensive income respectively.

38.3 **Capital structure and equity**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while providing an adequate return to stakeholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the statements of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity and reserves that are managed as capital.

During the reporting period ended 31 December 2014, the Group's and the Company's strategy were unchanged from 31 December 2013 which is to maintain the debt-to-adjusted capital ratio at a level deemed appropriate considering business, economic and investment conditions in order to secure access to finance at a reasonable cost. The debt-to-adjusted capital ratios at 31 December 2014 and 31 December 2013 were as follows:

38.3 **Capital structure and equity** (continued)

Group	**2014 RM'000**	**2013 RM'000**
Total debts	47,520	73,443
Less: cash and cash equivalents	(11,847)	(29,817)
Net debts	35,673	43,626
Total equity	45,295	69,156
Debt-to-adjusted capital ratio	78.75%	63.08%

Company	**2014 RM'000**	**2013 RM'000**
Total debts	57	91
Less: cash and cash equivalents	(1,287)	(329)
Net debts	(1,230)	(238)
Total equity	68,200	109,286
Debt-to-adjusted capital ratio	-	-

39. Supplementary information – breakdown of retained profits/accumulated losses into realised and unrealised

The breakdown of the retained profits/accumulated losses of the Group and of the Company as at 31 December 2014 into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		**Company**	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Total (accumulated losses)/retained profit of the Company and its subsidiaries				
-Realised	(92,029)	(73,265)	(75,795)	(34,705)
-Unrealised	490	774	(79)	(83)
	(91,539)	(72,491)	(75,874)	(34,788)
Total share of accumulated losses from associates				
-Realised	-	(1,370)	-	-
	(91,539)	(73,861)	(75,874)	(34,788)
Less: Consolidation adjustments	-	3,960	-	-
Accumulated losses as per financial statements	(91,539)	(69,901)	(75,874)	(34,788)

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30 SEPTEMBER 2015

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 30 September 2015

	Individual Quarter		Cumulative Quarters	
	2015	2014	2015	2014
	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue				
- sales of goods	52,139	55,810	144,248	151,724
- rendering of services	1,283	-	3,023	-
- rental income	12	170	36	509
	53,434	**55,980**	**147,307**	**152,233**
Cost of sales				
- sales of goods	(52,677)	(52,653)	(149,163)	(148,856)
- rendering of services	(1,028)	-	(2,778)	-
- rental income	-	-	-	-
	(53,705)	(52,653)	(151,941)	(148,856)
Gross profit/(loss)	**(271)**	**3,327**	**(4,634)**	**3,377**
Other operating income	2,634	1,174	9,719	3,697
Distribution costs	(824)	(839)	(2,286)	(2,453)
Administrative expenses	(4,352)	(2,978)	(10,590)	(9,018)
Other operating expenses	(286)	(159)	(3,574)	(3,521)
Operating profit/(loss)	**(3,099)**	**525**	**(11,365)**	**(7,918)**
Finance costs	(765)	(1,164)	(2,422)	(3,471)
Share of results of associates	-	(27)	-	(55)
Loss before tax	**(3,864)**	**(666)**	**(13,787)**	**(11,444)**
Income tax expense	(12)	-	(16)	-
Net loss for the period	**(3,876)**	**(666)**	**(13,803)**	**(11,444)**
Other comprehensive Income/(Loss):				
Items that may be reclassifiied subsequently to profit or loss				
Gain/(Loss) on fair value changes on available for sale financial assets				
- Current period	-	(139)	-	786
- Recycled to profit and loss	-	-	60	-
Foreign currency translation differences	(1,335)	(1,252)	(2,009)	(1,408)
Other comprehensive income/(loss) for the period, net of tax	**(1,335)**	**(1,391)**	**(1,949)**	**(622)**
Total comprehensive loss for the period	**(5,211)**	**(2,057)**	**(15,752)**	**(12,066)**
Loss attributable to:				
Owners of the Company	(3,391)	(314)	(11,841)	(10,390)
Non controlling interests	(485)	(352)	(1,962)	(1,054)
	(3,876)	**(666)**	**(13,803)**	**(11,444)**
Total comprehensive loss attributable to:				
Owners of the Company	(4,726)	(1,705)	(13,790)	(11,012)
Non controlling interests	(485)	(352)	(1,962)	(1,054)
	(5,211)	**(2,057)**	**(15,752)**	**(12,066)**
Profit/(Loss) per share attributable to owners of the Company				
- Basic (sen)	**(0.56)**	**(0.05)**	**(1.97)**	**(1.76)**
- Diluted (sen)	**N/A**	**N/A**	**N/A**	**N/A**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014

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Datuk Teo Tiew
Director

Company No. 272923-H

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Financial Position
As at 30 September 2015

	Un-audited As at 30 Sep 2015 RM'000	Audited As at 31 Dec 2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	64,599	58,722
Exploration & evaluation assets	4,501	4,473
Intangible asset	29	78
Other financial assets	-	5,990
	69,129	69,263
Current assets		
Inventories	28,102	55,031
Trade receivables	12,918	8,809
Other receivables, deposits and prepayments	5,163	5,043
Tax recoverable	362	46
Fixed deposits	275	235
Cash and bank balances	15,719	11,612
	62,539	80,776
TOTAL ASSETS	131,668	150,039
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	120,229	118,206
Reserves	25,900	27,873
Accumulated losses	(103,356)	(91,539)
	42,773	54,540
Non controlling interests	(10,939)	(9,245)
TOTAL EQUITY	31,834	45,295
Non-current liabilities		
Hire purchase and finance lease liabilities	25	63
Long term borrowings	27,589	27,592
Retirement benefits obligation	2,193	1,840
Deferred tax liabilities	2,076	2,076
	31,883	31,571
Current liabilities		
Trade payables	36,291	32,648
Other payables and accruals	23,719	20,660
Hire purchase and finance lease liabilities	44	52
Short term borrowings	7,708	19,813
Tax payable	189	-
	67,951	73,173
TOTAL LIABILITIES	99,834	104,744
TOTAL EQUITY AND LIABILITIES	131,668	150,039
	-	-
Net Assets per share (RM)	0.07	0.09
Net Tangible Assets per share (RM)	0.05	0.08

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Changes in Equity
for the financial period ended 30 September 2015

	<------ Attributable to Shareholders of the Company											
		<------ Non Distributable						------>		------>		
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Employee share option reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Exchange fluctuation reserve RM'000	Accumulated losses RM'000	Sub-total RM'000	Non controlling interests RM'000	Total equity RM'000
Current period's 9 months ended 30 September 2015												
At 1 January 2015	118,206	21,606	6,577	(60)	352	13,640	(13,640)	(602)	(91,539)	54,540	(9,245)	45,295
Transactions with owners:												
Conversion of Warrant 2010/2015 into ordinary shares	2,023	-	-	-	-	-	-	-	-	2,023	-	2,023
Warrant 2010/2015 exercised	-	-	-	-	-	(759)	759	-	-	-	-	-
Warrant 2010/2015 lapsed	-	-	-	-	-	(9,925)	9,925	-	-	-	-	-
ESOS lapsed	-	-	-	-	(24)	-	-	-	24	-	-	-
Disposal of shares in a subsidiary	-	-	-	-	-	-	-	-	-	-	268	268
	2,023	-	-	-	(24)	(10,684)	10,684	-	24	2,023	268	2,291
Other comprehensive income/(loss) for the period												
Recycled to profit or loss	-	-	-	60	-	-	-	-	-	60	-	60
Foreign currency translation differences	-	-	-	-	-	-	-	(2,009)	-	(2,009)	-	(2,009)
	-	-	-	60	-	-	-	(2,009)	-	(1,949)	-	(1,949)
Loss for the period	-	-	-	-	-	-	-	-	(11,841)	(11,841)	(1,962)	(13,803)
Total comprehensive loss for the period	-	-	-	60	-	-	-	(2,009)	(11,841)	(13,790)	(1,962)	(15,752)
At 30 September 2015	**120,229**	**21,606**	**6,577**	**-**	**328**	**2,956**	**(2,956)**	**(2,611)**	**(103,356)**	**42,773**	**(10,939)**	**31,834**
Preceding period's 9 months ended 30 September 2014												
At 1 January 2014	118,206	21,606	6,577	(53)	352	13,640	(13,640)	(223)	(69,901)	76,564	(7,408)	69,156
Other comprehensive income/(loss) for the period:												
Net gain on fair value changes of available for sale financial assets	-	-	-	786	-	-	-	-	-	786	-	786
Foreign currency translation differences	-	-	-	-	-	-	-	(1,408)	-	(1,408)	-	(1,408)
	-	-	-	786	-	-	-	(1,408)	-	(622)	-	(622)
Loss for the period	-	-	-	-	-	-	-	-	(10,390)	(10,390)	(1,054)	(11,444)
Total comprehensive loss for the period	-	-	-	786	-	-	-	(1,408)	(10,390)	(11,012)	(1,054)	(12,066)
At 30 September 2014	**118,206**	**21,606**	**6,577**	**733**	**352**	**13,640**	**(13,640)**	**(1,631)**	**(80,291)**	**65,552**	**(8,462)**	**57,090**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014

Company No. 272923-H

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statements of Cash Flows
for the financial period ended 30 September 2015

	NOTE	30 Sep 2015 RM'000	30 Sep 2014 RM'000
Cash flows from/(used in) operating activities			
Loss before taxation		(13,787)	(11,444)
Adjustments for:			
Amortisation of intangible asset		48	60
Bad debts written off		134	11
Depreciation		2,901	3,528
Gross dividend income from available for sale financial assets in Malaysia		-	(1)
Gain on disposal of available for sale financial assets		(1,864)	(306)
Impairment loss on available for sale of financial assets		-	1,924
Interest expense		2,422	3,471
Interest income		(89)	(10)
Inventories written off		310	-
Gain on disposal of property, plant and equipment		(78)	(14)
Loss on disposal of shares in a subsidiary		808	-
Allowance for doubtful debts		32	-
Allowance for doubtful debts no longer required		(81)	-
Provision for retirement benefit obligations		200	175
Share of results of associates		-	55
Unrealised loss on foreign exchange		1,075	-
Unrealised gain on foreign exchange		(2,177)	(137)
Operating loss before working capital changes		(10,146)	(2,688)
Decrease/(Increase) in inventories		25,993	(6,977)
Decrease/(Increase) in trade and other receivables		4,911	(1,204)
(Decrease)/Increase in trade and other payables		(5,474)	16,200
Cash flows from operations		15,284	5,331
Income tax paid		128	(4)
Income tax refunded		(17)	-
Interest paid		(2,422)	(3,471)
Interest received		89	10
Retirement benefits paid		(346)	(98)
Net cash from operating activities		12,716	1,768
Cash flows from/(used in) investing activities			
Dividends received		-	1
Decrease(Increase) in sinking funds account		8,660	(1,272)
(Increase)/Decrease in fixed deposits pledged		(41)	35
Payment for exploration and evaluation assets		(28)	(61)
Purchase of property, plant and equipment		(3,192)	(2,540)
Proceeds from disposal of property, plant and equipment		280	34
Proceeds from disposal of available for sale financial assets		7,916	1,807
Net cash from/(used in) investing activities		13,595	(1,996)
Cash flows from/(used in) financing activities			
Repayment to associate		-	(13)
Proceeds from conversion of Warrant 2010/2015 into ordinary shares		2,023	-
Proceeds from trade finance		17,066	98,020
Repayment of trade finance		(30,411)	(95,853)
Repayment of term loan(s)		(4,638)	(4,060)
Repayment of hire purchase and finance lease liabilities		(46)	(48)
Net cash used in financing activities		(16,006)	(1,954)
Exchange differences		690	(1,253)
Net increase/(decrease) in cash and cash equivalents		10,995	(3,435)
Cash and cash equivalents at beginning of year		4,724	6,368
Cash and cash equivalents at end of period	1	15,719	2,933

NOTE

1. **Cash and cash equivalents**
Cash and cash equivalents comprise of :

	30 Sep 2015 RM'000	30 Sep 2014 RM'000
Cash and bank balances	15,719	26,883
Deposits with licensed banks	275	736
	15,994	27,619
Deposits pledged as security	(275)	(736)
Sinking fund account	-	(23,950)
	15,719	2,933
	-	-

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

HO WAH GENTING BERHAD (272923-H)
DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

	As at 30 Sep 2015 RM'000	Audited As at 31 Dec 2014 RM'000
Total accumulated losses of HWGB and its subsidiaries:		
- Realised	(104,458)	(92,029)
- Unrealised	1,102	490
	(103,356)	**(91,539)**
Total share of accumulated losses from associated companies:		
- Realised	-	-
- Unrealised	-	-
	(103,356)	**(91,539)**
Consolidation adjustments	-	-
Total group accumulated losses as per financial statements	**(103,356)**	**(91,539)**

HO WAH GENTING BERHAD
Company No: 272923-H
(Incorporated In Malaysia)

NOTES TO FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

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 2014.

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 2014 except for the adoption of the following standards which are applicable to its financial statements effective from 1 January 2015:

Amendments to MFRS 119	:	Employees Benefits - *Defined Benefit Plans: Employees Contributions*	
Annual Improvements to MFRSs 2010 – 2012 Cycle			01 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle			01 July 2014

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group:

			Effective for financial periods beginning on or after
MFRS 14	:	Regulatory Deferral Accounts	01 January 2016
Amendments to MFRS 11	:	Joint Arrangements - *Accounting for Acquisition of Interest in Joint Venture Operations*	01 January 2016
Amendments to MFRS 116 and MFRS 138	:	Property, Plant and Equipment and Intangible Assets - *Clarification of Acceptable Methods of Depreciation and Amortisation*	01 January 2016
Amendments to MFRS 116 and MFRS 141	:	Property, Plant and Equipment and Agriculture - *Bearer Plants*	01 January 2016

2 Significant Accounting Policies (continue)

			Effective for financial periods beginning on or after
Amendments to MFRS 127	:	Consolidated and Separate Financial Statements - *Equity Method in Separate Financial Statements*	01 January 2016
Amendments to MFRS 10 and MFRS 128	:	Consolidated Financial Statements and Investments In Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	01 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	:	Consolidated Financial Statements, Disclosure of Interest in Other Entities and Investments in Associates and Joint Ventures – *Investment Entities: Applying the Consolidation Exception*	01 January 2016
Amendments to MFRS 101	:	Presentation of Financial Statements – *Disclosure Initiative*	01 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle			01 January 2016
MFRS 15	:	Revenue from Contract with Customers	01 January 2018
MRFS 9	:	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board in July 2014)	01 January 2018

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group.

3. Qualification of Financial Statements

There has not been any qualification made by the auditors on the annual financial statements of the Group for the year ended 31 December 2014.

4. Seasonality or Cyclicality of Operations

Based on past historical trend, sales of the manufacturing division, the main contributor of revenue to the Group would gradually increase in the second quarter and normally peak in the third quarter arising from increase in customer demand in anticipation of the festive seasons towards year end and subsequently, demand would slowly decline in the fourth quarter before reaching its plateau in 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.

6. Material Change in Estimates

There were no changes in estimates that had a material effect in the results of the current quarter.

7. Issuance and Repayment of Debt and Equity Securities

During the financial period under review, the Company increased its issued and paid up share capital from RM118,206,669 to RM120,229,009 by way of issuance of 10,111,699 new ordinary shares of RM0.20 each pursuant to the conversion of Warrants 2010/2015 at a conversion price at RM0.20 per ordinary share.

8. Dividends Paid

No dividend was paid in the current quarter.

9. The Status of Corporate Proposals

On 5 August 2015, the Company announced the following Multiple Corporate Proposals:

a) Proposed Par Value Reduction
Proposed reduction of the existing issued and paid up share capital of the Company via the cancellation of RM0.15 of the par value of each existing issued and paid-up ordinary share of RM0.20 to RM0.05 each ("HWGB Shares") pursuant to Section 64 of the Companies Act,1965;

b) Proposed Rights Issue with Warrants
Proposed renounceable rights issue of up to 617,598,349 new HWGB Shares ("Rights Shares") on the basis of one (1) Right Share for every one (1) existing HWGB Share held after the Proposed Par Value Reduction, together with up to 494,078,679 free detachable warrants ("Warrants") on the basis of four (4) Warrants for every five (5) Rights Shares subscribed on the entitlement date and at an issue price to be determined later;

9. The Status of Corporate Proposals (continued)

c) **Proposed Amendments to the Memorandum and Articles of Association of the Company**
Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the implementation of the Proposed Par Value Reduction;

d) **Proposed Termination of the Existing ESOS**
Proposed termination of the Company's existing Employees' Share Option Scheme 2010; and

e) **Proposed Establishment of a new ESOS**
Proposed establishment of a new Employees' Share Option Scheme for the eligible directors and employees of HWGB and its subsidiary companies.

On 30 September 2015, the Company announced that Bursa Securities had, vide its letter dated 29 September 2015, resolved to approve the following:

a) The listing and quotation of up to 617,598,349 new Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;

b) Admission to the Official List and the listing of and quotation for up to 494,078,679 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;

c) The listing and quotation of up to 494,078,679 new ordinary shares of RM0.05 each to be issued pursuant to the exercise of the Warrants;

d) The listing and quotation of up to 2,146,470 Additional Warrants 2011/2016 arising from the adjustment made pursuant to the Proposed Rights Issue with Warrants;

e) The listing and quotation of up to 2,980,792 new ordinary shares of RM0.05 each to be issued pursuant to the exercise of the Additional Warrants 2011/2016 and existing Employees' Share Option Scheme; and

f) The listing and quotation of such number of new ordinary shares of RM0.05 each in HWGB, representing up to 10% of the issued and paid up share capital of HWGB to be issued pursuant to the exercise of options under the Proposed New ESOS.

The approval by Bursa Securities for the Proposed Rights Issue with Warrants and Proposed New ESOS is subject to the following conditions:

a) HWGB and its adviser must fully comply with the relevant provisions under the Main Market Listing Requirements ("LR") pertaining to the implementation of the Proposed Rights Issue with Warrants and Proposed New ESOS;

9. The Status of Corporate Proposals (continued)

b) HWGB and its adviser are to inform Bursa Securities upon the completion of the Proposed Rights Issue with Warrants;

c) HWGB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue with Warrants is completed;

d) HWGB's adviser is required to submit a confirmation to Bursa Securities of full compliance of the Proposed New ESOS pursuant to Paragraph 6.43 (1) of the LR and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the proposed New ESOS;

e) HWGB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants and Proposed New ESOS as at end of each quarter together with a detailed computation of listing fees payable; and

On 12 November 2015, the Company announced that all the resolutions for the aforesaid Multiple Corporate Proposals set out in the Notice of Extraordinary General Meeting ("EGM") dated 20 October 2015 were duly passed at the EGM held on Thursday, 12 November 2015.

On 13 November 2015, the Company's solicitor had submitted the petition for capital reduction to the High Court of Malaya for sanction.

10. Segmental Reporting

Analysis of the Group's segment revenue and segment result for business segments for the current financial period ended 30 September 2015 are given as follows:

	Segment Revenue RM'000	Loss Before Tax For The Period RM'000
Investments	36	(3,054)
Moulded power supply cord sets	120,544	(4,746)
Tin mining	6,326	(3,976)
Wire and cable	9,851	320
Travel services and direct sales	10,550	(2,331)
	147,307	**(13,787)**

11. Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment of the Group have been brought forward without amendment from the previous audited financial statements.

12. Material Events Subsequent to the End of the Interim Period

There is no material event subsequent to the end of the current quarter.

13. Changes in the Composition of the Group

(a) Internal Group Restructuring Involving the Company, Vitaxel Sdn Bhd (1013530-U) ("Vitaxel") and Ho Wah Genting Holiday Sdn Bhd (formerly known as Ho Wah Genting Poipet Resorts Sdn Bhd) (203789-P) ("HWGH")

The Company had on 13 February 2015, completed an internal group restructuring involving the Company, Vitaxel and HWGH by transferring the Company's 100% equity interest (1,500,000 ordinary shares) in Vitaxel to HWGH (99.48% owned subsidiary), for a total cash consideration of RM120,000. The consideration of RM120,000 is the same acquisition price paid by the Company earlier. Upon completion of the aforesaid share transfer, Vitaxel became a sub-subsidiary of the Company instead.

(b) Disposal of Sub-subsidiary company Orient Sun Motors Sdn Bhd (840617-P) ("OSM")

On 25 March 2015, the Company announced the disposal of the entire 70% equity interest in OSM held by its wholly owned subsidiary Rex Oriental Sdn Bhd (1056831-K) ("ROSB") for a cash consideration of RM595,000. The disposal was completed on 2 April 2015 and OSM ceased to be a subsidiary of ROSB and a sub-subsidiary of the Company.

(c) Disposal of Sub-subsidiary company Vitaxel Sdn Bhd (1013530-U) ("Vitaxel")

On 17 November 2015, the Company announced that its subsidiary, Ho Wah Genting Holiday Sdn Bhd (203789-P) ("HWGH") has on 17 November 2015 entered into a Share Sale Agreement ("Agreement") with Lim Chun Yen, Leong Yee Ming, Lim Wee Kiat and Megat D. Shariman Bin Zaharudin ("Purchasers"), to dispose to the Purchasers its entire 100% equity holding in Vitaxel for a total cash consideration of RM150,000.00 ("Sale Consideration") payable upon completion ("Proposed Disposal"). Upon the completion of the Proposed Disposal, Vitaxel will cease to be a subsidiary of HWGH and sub-subsidiary of the Company.

14. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities and contingent assets for the Company and the Group at the end of the current quarter.

15. Capital Commitments

The total capital commitments "authorized and contracted for" of the Group for the purchase of plant and equipment at the end of the current quarter stood at RM68,000.

PART B

ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

1. Review of Performance for the third quarter and current financial period to date

For the current financial period, the Group recorded revenue of RM147.31 million and loss before taxation of RM13.79 million as compared to its preceding year's revenue of RM152.23 million and loss before taxation of RM11.44 million.

The lower revenue recorded in the current financial period is mainly due to the Group's lower sales in Moulded Power Supply Cord Sets Division in Indonesia despite the favourable currency conversion effect from USD to RM. The higher revenue from the Tin Mining Division and additional revenue from new division in Travel Services and Direct Sales also improved the revenue in the current financial period.

The Group's Moulded Power Supply Cord Sets Division recorded operating revenue of RM120.54 million and loss before taxation of RM4.75 million for the current financial period ended 30 September 2015 as compared to its preceding year's corresponding period operating revenue of RM139.27 million and loss before taxation of RM2.90 million.

The lower revenue recorded in the current financial period is due to intense competition from China made products and limitations of working capital available. The higher loss before taxation was due to low contribution generated from lower revenue.

The Group's Wire and Cable Trading Division posted operating revenue of RM9.85 million and profit before taxation of RM320,000 for the current financial period ended 30 September 2015 as compared to its preceding year's corresponding period operating revenue of RM10.57 million and loss before taxation of RM213,000.

Generally, the demand for wire and cable market is slow as there is lesser new real estate projects launched. The profit before taxation recorded in the current financial period is mainly due to net foreign exchange gain of RM1.2 million.

The Group's Tin Mining Division recorded an operating revenue of RM6.33 million and loss before taxation of RM3.98 million for the current financial period ended 30 September 2015 as compared to its preceding year's corresponding period operating revenue of RM1.49 million and loss before taxation of RM1.57 million.

A total of 199 metric tons of tin concentrates had been produced during the current financial period ended 30 September 2015 as compared to its preceding year's corresponding period output of 34 metric tons of tin concentrates.

1 Review of Performance for the third quarter and current financial period to date (continued)

Though the total tin concentrates output and revenue were higher as compared to the preceding year's corresponding period, the Tin Mining Division recorded a higher losses due to increase in mining activities on the site. The Tin Mining Division is now processing the tin ores from a selection of top soil with high grade of tin ore contents while focusing on the top soil removal.

The Group's Travel Services and Direct Sales Division recorded a revenue of RM10.55 million and a loss before taxation of RM2.33 million for the financial period ended 30 September 2015. The loss incurred was due to higher commission and incentive payout to members as a marketing strategy to expedite the recruitment of new members during this initial stage of operations by the Direct Sales Division.

There are no comparative figures for Travel Services and Direct Sales Division for the same financial period in the preceding year.

At Company level, the Company recorded a loss before taxation of RM2.26 million for the current financial period ended 30 September 2015 as compared to a loss of RM5.08 million in the preceding year's corresponding period. The lower loss before taxation recorded in the current financial period was contributed by the gain on disposal of "Available-For-Sale" financial assets of RM1.92 million as against the impairment loss of RM1.92 million recorded in the preceding year's corresponding period.

In the opinion of the Directors, other than as disclosed above, the results for the current quarter have not been affected by any transactions or events of a material or unusual nature which have arisen from 30 September 2015 to the date of issue of this quarterly report.

2. Comparison with Preceding Quarter's Results

The Group's operating revenue and loss before taxation for the current quarter under review were RM53.43 million and RM3.86 million respectively as compared to the preceding quarter's operating revenue and loss before taxation of RM44.84 million and RM5.76 million respectively.

The higher revenue recorded in the current quarter is mainly due to the higher sales in Moulded Power Supply Cord Sets Division to cater for festive seasons towards the year end. The weaker Ringgit Malaysia ("RM") against the United States Dollar ("USD") had resulted in higher revenue as the revenue generated by the Moulded Power Supply Cord Sets Division was converted from USD to RM.

The lower loss before taxation in the current quarter is mainly due to higher contributions from the Moulded Power Supply Cord Set Division. Also included in the immediate preceding quarter, there is a loss on disposal of shares in a subsidiary company of RM808,000.

3. Commentary on Prospects

The recovery in the US economy has pushed the demand for housing market higher, improve the employment rate and higher consumer spending. All these factors may have a favourable effect to the sale of moulded power supply cord sets as US accounts for a majority of the Group's revenue.

However, the Board is of the opinion that business operations in moulded power supply cord sets and wire and cable will continue to be challenging in view of the intense competition in the US market, rising inflationary cost in Indonesia, especially the compulsory annual increment of wages and salaries, high volatility of copper price and additional working capital requirement.

The outlook for domestic demand would be underpinned by domestic consumption, market demand for local real estate projects, accommodative monetary policies and continued fiscal stimulus by the public sector. The Group's revenue from trading of wire and cable may be affected by the tighter credit controls set by financial institutions as lenders are more cautious in providing the consumer loan.

On the Travel Services and Direct Sales Division, the implementation of "Goods and Services Tax" ("GST") since April this year and the continuous weakening of Ringgit Malaysia had also affected the consumer spending.

The Board is hopeful that the implementation of the Corporate Proposals as mentioned in Note 9 (Part A) of this Report would provide funding requirement and improve the financial position of the Group.

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 current quarter.

5. Notes to the Comprehensive Income Statement

Loss before tax is arrived at after charging / (crediting) the following items:

No	Subject	Individual Quarter		Cumulative Quarter	
		30/09/2015	30/09/2014	30/09/2015	30/09/2014
		RM'000	RM'000	RM'000	RM'000
a.	Interest income	(57)	(4)	(89)	(10)
b.	Other income including investment income	(944)	(975)	(3,302)	(2,865)
c.	Interest expense	765	1,164	2,422	3,471
d.	Depreciation and amortization	1,101	923	2,949	3,588
e.	Provision for and write off of receivables	144	11	166	11

5. Notes to the Comprehensive Income Statement (continued)

No	Subject	Individual Quarter 30/09/2015 RM'000	Individual Quarter 30/09/2014 RM'000	Cumulative Quarter 30/09/2015 RM'000	Cumulative Quarter 30/09/2014 RM'000
f.	Provision for and write off of inventories	-	-	310	-
g.	(Gain)/loss on disposal of quoted or unquoted investments or properties	65	(306)	(1,134)	(320)
h.	Impairment of assets	-	-	-	1,924
i.	Foreign exchange gain:				
	- Realised	(137)	(130)	(2,066)	(251)
	- Unrealised	(1,474)	-	(2,177)	(250)
	Foreign exchange loss:				
	- Realised	-	69	439	346
	- Unrealised	967	-	1,075	113
j.	Gain or loss on derivatives	-	-	-	-
k.	Exceptional items (with details)	-	-	-	-

6. Taxation

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

		Individual Quarter 30/09/2015 RM'000	Individual Quarter 30/09/2014 RM'000	Cumulative Quarter 30/09/2015 RM'000	Cumulative Quarter 30/09/2014 RM'000
i.	**Current tax expense**				
	- Malaysian	-	-	-	-
	- Overseas	12	-	16	-
		12	-	16	-
ii.	**Over/(under) provision in prior year:**				
	- Malaysian	-	-	-	-
	- Overseas	-	-	-	-
		-	-	-	-
iii.	**Deferred tax expense:**				
	- Malaysian	-	-	-	-
	- Overseas	-	-	-	-
		-	-	-	-
	Total	12	-	16	-

7. Purchase or Disposal of Quoted Securities/Other Financial Assets

During the current financial period, the Company disposed off its entire Available-For-Sale quoted shares in Hong Kong for RM7.81 million. The cost of these shares was RM10.41 million and the allowance for diminution in value made for these shares was RM4.52 million.

During the same financial period, Ho Wah Genting Kintron Sdn Bhd, a wholly-owned subsidiary of the Company also disposed off its entire Available-For-Sale quoted shares in Malaysia for RM107,000. The cost of these shares was RM1.12 million and the allowance for diminution in value made for these shares was RM1.01 million.

Investments in quoted securities as at 30 September 2015 are as follows:

		RM'000
i.	Shares quoted in Malaysia at cost	-
ii.	Shares quoted in Hong Kong at cost	-
iii.	Market value of quoted equity shares	-

8. Group Borrowings and Debt Securities

		As At 30/09/2015 RM'000	As At 31/12/2014 RM'000
i.	**Short Term Borrowings**		
	Secured		
	- Bankers' acceptances	-	13,986
	- Hire purchase and finance lease liabilities	44	52
	- Term loans	7,708	5,827
		7,752	**19,865**
ii.	**Long Term Borrowings**		
	Secured		
	- Hire purchase and finance lease liabilities	25	63
	- Term loans	27,589	27,592
		27,614	**27,655**

8. Group Borrowings and Debt Securities (continued)

Breakdown of borrowings in foreign denominated debts included above is:

		As At 30/09/2015 USD'000	As At 31/12/2014 USD'000
iii.	**Secured**		
	- Bills payable	-	4,000
	- Term loan	6,977	8,227
		6,977	**12,227**

9. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 18 November 2015, being the latest practicable date.

10. 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 2014.

11. Material Litigation

There is no material litigation for the Group as at 18 November 2015, being the latest practicable date.

12. Dividends

No dividend has been declared for the current quarter and financial period ended 30 September 2015.

13. Quarterly Updates on Tin Mining Activities

On 10 June 2013, HWG Tin Mining Sdn Bhd ("HWG Tin Mining") had engaged an external exploration consultancy company to carry out resource estimation works entailing among others, evaluation of historical data, geological evaluation, geological mapping, geophysical survey, review of all existing drill data, design drill and exploration plan, field and surface sampling, laboratory chemical analysis, culminating in a resource estimation report.

The fieldwork was completed on 27 July 2013 and a copy the geological and geophysical report dated 16 August 2013 was issued. The report indicated a rough resource estimation of tin deposits and iron deposits of approximately 44,000 metric tons and 29,250,000 metric tons respectively.

The report also recommended HWG Tin Mining to undertake a deep drilling plan to determine the essential features such as the possibility of the ore body continuance, origin and type of the deposit and economic feasibility.

HWG Tin Mining has yet to engage the drilling contractor to do the drilling works as at the latest practicable date of this report.

During the quarter, the Tin Mining Division increased its mining activities on the site. The Tin Mining Division is now processing the tin ores from a selection of top soil with high grade of tin ore contents while focusing on the top soil removal.

14. Loss per share

Basic

	Individual Quarter		**Cumulative Quarter**	
	30/09/2015	**30/09/2014**	**30/09/2015**	**30/09/2014**
Loss attributable to shareholders (RM'000)	(3,391)	(314)	(11,841)	(10,390)
Weighted average number of ordinary shares ('000) – basic	601,145	591,033	601,145	591,033
Basic (sen)	**(0.56)**	**(0.05)**	**(1.97)**	**(1.76)**

Diluted

	Individual Quarter		**Cumulative Quarter**	
	30/09/2015	**30/09/2014**	**30/09/2015**	**30/09/2014**
Loss attributable to shareholders (RM'000)	(3,391)	(314)	(11,841)	(10,390)
Add Notional interest savings due to repayment of bank borrowings (RM'000)	475	528	1,425	1,584
Adjusted loss attributable to shareholders (RM'000)	(2,916)	214	(10,416)	(8,806)
Weighted average number of ordinary shares ('000) – basic	601,145	591,033	601,145	591,033
Add Assuming conversion of ESOS and Warrants ('000)	16,453	159,850	16,453	159,830
Weighted average number of ordinary shares ('000) – diluted	617,598	750,863	617,598	750,863
Diluted (sen)	**N/A**	**N/A**	**N/A**	**N/A**

The diluted earnings or profit 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 and warrants into new ordinary shares.

The adjusted net profit attributable to equity holders of the Company is arrived at by adding notional interest savings as a result of repayment of bank borrowings from proceeds made available through exercise of ESOS and warrants into new ordinary shares.

There was no dilution in loss per share during the current quarter and financial period ended 30 September 2015. The additional notional interest savings and the increase in the number of ordinary shares arising from the abovementioned conversion of all ESOS and warrants, both of which would have a positive effect of reducing the loss per share for the current quarter and financial period ended 30 September 2015.

By Order of the Board

Coral Hong Kim Heong
(MAICSA 7019696)
Company Secretary

Date: 25 November 2015

CERTIFIED TRUE COPY

Datuk Teo Tiew
Director

DIRECTORS' REPORT

HWGB

豪華雲頂集團

HO WAH GENTING BERHAD

(Company No. 272923-H)
Wisma Ho Wah Genting, No. 35, Jalan Maharajalela, 50150 Kuala Lumpur.
Tel: 603- 2143 8811 Fax: 603-2144 6987, 2141 7477

Registered Office:
Wisma Ho Wah Genting
No. 35 Jalan Maharajalela
50150 Kuala Lumpur

Date : 15 FEB 2016

To: The Entitled Shareholders of Ho Wah Genting Berhad

Dear Sir/Madam,

On behalf of the Board of Directors ("Board") of Ho Wah Genting Berhad ("HWGB" or the "Company"), I wish to report that, after due enquiries in relation to the Company and its subsidiaries ("Group") during the period between 31 December 2014, being the date on which the latest audited consolidated financial statements of Insas have been made up, and the date hereof, being a date not earlier than 14 days before the issuance of the Abridged Prospectus, that:-

(a) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;

(b) there have, in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of the Company, which adversely affected the trading or the value of the assets of the Group;

(c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) save as disclosed in Section 9.4 of the Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by any company within the Group;

(e) save as disclosed in Section 9.2 of the Abridged Prospectus, there has been no default or any known event, since the last audited consolidated financial statements of the Company, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings; and

(f) there has been no material changes in the published reserves or any unusual factors affecting the profits of the Group, since the last audited consolidated financial statements of the Company.

Yours faithfully,
For and on behalf of the Board
HO WAH GENTING BERHAD

DATUK TEO TIEW
Group Executive Chairman

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(i) Save for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants, Warrants 2011/2016, Existing ESOS options (if any), Adjustment Warrants 2011/2016 (if any) and Adjustment Existing ESOS options (if any), no securities shall be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.

(ii) As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.05 each, all of which rank pari passu with one another.

(iii) All the Rights Shares and the new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue rank pari passu in all respects with the existing issued and paid-up ordinary share capital, save and except that such Shares will not be entitled to any dividends, rights, allotments and/or distributions that may be declared, made or paid prior to the date of allotment of such Shares.

(iv) As at the date of this Abridged Prospectus, save for the Entitled Shareholders who will be provisionally allotted the Rights Shares with Warrants under the Rights Issue with Warrants, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Company or our subsidiaries as of the date of this Abridged Prospectus.

(v) None of our securities has been issued or agreed to be issued either as fully or partly paid-up otherwise than in cash, within two (2) years immediately preceding the date of this Abridged Prospectus.

2. ARTICLES OF ASSOCIATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are as follows:

Article 107 – Director's Remuneration

The fees of the directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office provided always that:-

(a) fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(b) salaries or other emoluments payable to executive directors pursuant to a contract of service need not be determined by the Company in general meeting but such salaries or other emoluments may not include a commission on or percentage of turnover;

(c) fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;

(d) any fee paid to an alternate director shall be agreed upon between himself and the director nominating him and shall be paid out of the remuneration of the latter.

Article 108 – Reimbursement of expenses.

(1) The directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the directors or any committee of the directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as directors.

(2) If by arrangement with the directors, any director shall perform or render any special duties or services outside his ordinary duties as a director in particular without limiting to the generality of the foregoing if any director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors, the directors may pay him special remuneration, in addition to his director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

3. MATERIAL CONTRACTS

Save for the Deed Poll 2016 and as disclosed below, after having made all reasonable enquiries, our Board confirms that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by HWGB and our subsidiaries within the past two (2) years preceding the date of this Abridged Prospectus.

(i) Sale and purchase agreement dated 17 November 2015 between Ho Wah Genting Holiday Sdn Bhd, our 99%-owned subsidiary, and Lim Chun Yen, Leong Yee Ming, Lim Wee Kiat and Megat D. Shahriman Bin Zaharudin for the disposal of Ho Wah Genting Holiday Sdn Bhd's entire equity interest in Vitaxel Sdn Bhd of 1,500,000 ordinary shares of RM1.00 each for a total cash consideration of RM150,000. The disposal was completed on 30 November 2015.

(ii) Share sale agreement dated 25 March 2015 between Hong Seng Assembly Sdn Bhd, Hong Seng Motor Sdn Bhd and Rex Oriental Sdn Bhd ("ROSB"), our wholly-owned subsidiary, for the disposal of ROSB's entire 70.0% equity interest in Orient Sun Motors Sdn Bhd of 699,999 ordinary shares of RM1.00 each for a total cash consideration of RM595,000.00. The disposal was completed on 2 April 2015.

(iii) Share sale agreement dated 16 October 2014 between Adanan Bin Baharum and HWGB for the acquisition of Adanan bin Baharum's entire shareholding of 3,569,000 ordinary shares of RM1.00 each, representing 59.48%, in Ho Wah Genting Holiday Sdn Bhd for a total cash consideration of RM1,450,284.00. The acquisition was completed on 6 November 2014.

(iv) Sale and purchase agreement dated 9 July 2014 between HWGB and Bernas Wirama Sdn Bhd for the disposal of all that piece of land held under Geran No. 51496, Lot 1341, Sekyen 38, Bandar Kulim, Daerah Kulim, Negeri Kedah Darul Aman together with a factory erected thereon for a total cash consideration of RM8,300,000. The disposal was completed on 21 November 2014.

4. MATERIAL LITIGATION

Our Board confirms that neither our Company nor any of our subsidiaries are engaged in any material litigation, claims or arbitration as at the LPD, either as plaintiff or defendant, and after having made all reasonable enquiries and to the best knowledge of our Board, does not have any knowledge of any proceedings pending or threatened against our Group, or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

5. GENERAL

(i) The nature of our business is set out in Section 1, Appendix III of this Abridged Prospectus. Save as disclosed in Section 5, Appendix III of this Abridged Prospectus, there are no corporations that are related to our Company by virtue of Section 6 of the Act as at the date of this Abridged Prospectus.

(ii) The total estimated expenses in connection with the Rights Issue with Warrants including professional fees, fees payable to the relevant authorities, registration and other incidental expenses of approximately RM800,000 will be borne by our Company.

(iii) None of our Directors have any existing or proposed service contracts with our Company or our subsidiaries, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year of the date of this Abridged Prospectus.

(iv) Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries and to the best knowledge of our Directors, there is no material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

(v) Save as disclosed in this Abridged Prospectus and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:

(a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(b) material commitments for capital expenditure;

(c) unusual of infrequent events or transactions or significant economic changes which will materially affect the amount of reported income from operations;

(d) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact of our Group's revenue or operating income; and

(e) substantial increase in revenue.

6. WRITTEN CONSENTS

The written consents of our Adviser, Company Secretary, Principal Bankers, Share Registrar, Independent Market Researcher and Solicitors for the Rights Issue with Warrants to the inclusion in this Abridged Prospectus of their names in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

The written consent of our Auditors and Reporting Accountants to the inclusion in this Abridged Prospectus of their names and letters relating to the audited consolidated financial statements of our Group for the FYE 31 December 2014 and the pro forma consolidated statements of financial position of our Group as at the FYE 31 December 2014, in the form and context in which they appear have been given prior to the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at our Registered Office at Wisma Ho Wah Genting, 35, Jalan Maharajalela 50150 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:

(i) Our Memorandum and Articles of Association;

(ii) Our audited consolidated financial statements for the past three (3) FYEs 31 December 2012, 2013 and 2014;

(iii) Our unaudited consolidated financial statements for the nine (9)-month FPE 30 September 2015;

(iv) The pro forma consolidated statements of financial position of our Group as at 31 December 2014 together with the Reporting Accountants' letter thereon as set out in Appendix IV of this Abridged Prospectus;

(v) The Deed Poll 2016;

(vi) The Directors' Report as set out in Appendix VII of this Abridged Prospectus;

(vii) The consent letters referred to in Section 6 of this Appendix;

(viii) The material contracts referred to in Section 3 of this Appendix;

(ix) The irrevocable written undertaking letter from Kintron as referred to in Section 2.6 of this Abridged Prospectus; and

(x) The independent market research report titled "Overview of the Wires and Cables Industry, Tin Mining Industry as well as Tourism and Travel Related Services Industry in Malaysia" by Protégé Associates Sdn Bhd.

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8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

M&A Securities, being our Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue with Warrants.

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