

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Comprehensive Income
for the second quarter ended 30 June 2010

	Individual Quarter		Cumulative Quarters	
	Apr - Jun 2010	Apr - Jun 2009	Jan - Jun 2010	Jan - Jun 2009
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue				
- sales of goods	57,319	36,602	97,955	58,329
- services	33	139	66	276
	57,352	36,741	98,021	58,605
Cost of sales				
- sales of goods	(56,162)	(36,768)	(96,316)	(59,435)
- services	-	-	-	-
	(56,162)	(36,768)	(96,316)	(59,435)
Gross (Loss)/Profit	1,190	(27)	1,705	(830)
Operating (expenses)/income	(3,776)	(2,440)	(6,718)	(4,800)
Gain on deemed disposal of a quoted associat	-	-	15,419	-
Operating (Loss)/Profit	(2,586)	(2,467)	10,406	(5,630)
Interest expense	(1,826)	(2,216)	(3,955)	(4,343)
Interest income	75	9	77	12
Share of results of Associate:	(1,104)	(367)	(2,061)	(1,131)
(Loss)/Profit before tax	(5,441)	(5,041)	4,467	(11,092)
Income tax expense	-	(353)	-	-
Net (Loss)/Profit for the period	(5,441)	(5,394)	4,467	(11,092)
Other Comprehensive Income:				
Currency translation differences arising from consolidation	590	(2,502)	412	522
Gain arising from revaluation of property, plant and equipment	-	2,542	-	8,971
Available for sale ("AFS") quoted investments	(24)	-	(63)	-
Income tax relating to components of other comprehensive income	-	-	-	-
Other Comprehensive Income net of tax	566	40	349	9,493
Total Comprehensive (Loss)/Income for the period	(4,875)	(5,354)	4,816	(1,599)
(Loss)/Profit attributable to:				
Equity holders of the Company	(5,360)	(5,354)	4,601	(11,013)
Minority interests	(81)	(40)	(134)	(79)
	(5,441)	(5,394)	4,467	(11,092)
Total Comprehensive (Loss)/Income attributable to:				
Equity holders of the Company	(4,794)	(5,314)	4,950	(1,520)
Minority interests	(81)	(40)	(134)	(79)
	(4,875)	(5,354)	4,816	(1,599)
(Loss)/Profit per share attributable to equity holders of the Company				
- Basic (sen)	(1.61)	(1.94)	1.38	(3.99)
- Diluted (sen)	-	(1.94)	-	(3.99)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Financial Position
As at 30 June 2010

	Unaudited	Audited
	As at	As at
	30.06.10	31.12.09
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	55,596	60,374
Exploration & evaluation assets	3,181	3,017
Mine development expenditure	897	-
Prepaid lease payments	6,079	6,371
Investment in Associates	35,352	23,063
Available for sale quoted investments	107	184
	101,212	93,009
Current assets		
Inventories	48,338	35,961
Leasehold properties held for sale	2,000	7,000
Trade and other receivables	33,611	20,721
Amount due from an associate	2,300	2,982
Prepaid lease payments	247	254
Tax recoverable	1,405	2,625
Cash and bank balances	14,473	5,018
	102,374	74,561
TOTAL ASSETS	203,586	167,570
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	82,733	275,778
Reserves	(2,237)	(228,684)
	80,496	47,094
Minority interests	474	608
TOTAL EQUITY	80,970	47,702
Non-current liabilities		
Long term borrowings	24,688	31,000
Deferred tax liabilities	-	-
	24,688	31,000
Current liabilities		
Trade and other payables	37,556	19,887
Amount due to an associate	2,543	2,578
Short term borrowings	57,517	66,031
Tax payable	312	372
	97,928	88,868
TOTAL LIABILITIES	122,616	119,868
TOTAL EQUITY AND LIABILITIES	203,586	167,570
The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009.		
Net Assets per share (RM)	0.19	0.17
Net Tangible Assets per share (RM)	0.19	0.16

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Changes in Equity
for the second quarter ended 30 June 2010

	← Attributable to shareholders of the Company →						Accumulated losses	Sub-total	Minority interest	Total equity
	← Non Distributable →				Equity reserve	Exchange fluctuation reserve				
	Share capital	Share premium	Revaluation reserve	Fair value reserve	Equity reserve	Exchange fluctuation reserve	Accumulated losses	Sub-total	Minority interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current Year's 6 months ended 30.06.10</u>										
At 1 January 2010	275,778	41,218	8,971	-	-	1,360	(280,233)	47,094	608	47,702
Effects of applying FRS 139	-	-	-	(14)	-	-	-	(14)	-	(14)
Restated Balance at 1 January 2010	275,778	41,218	8,971	(14)	-	1,360	(280,233)	47,080	608	47,688
Share capital reduction	(220,623)	(41,218)	-	-	-	-	261,841	-	-	-
Increase in share capital via rights issue of ordinary shares	27,578	-	-	-	-	-	-	27,578	-	27,578
Offer and acceptance of share options granted to employees	-	-	-	-	888	-	-	888	-	888
Total comprehensive income for the financial period ended 30 June 2010	-	-	-	(63)	-	412	4,601	4,950	(134)	4,816
At 30 June 2010	82,733	-	8,971	(77)	888	1,772	(13,791)	80,496	474	80,970
<u>Preceding Year's 6 months ended 30.06.09</u>										
At 1 January 2009	275,778	41,218	-	-	-	1,427	(256,426)	61,997	784	62,781
Total comprehensive loss for the financial period ended 30 June 2009	-	-	8,971	-	-	522	(11,013)	(1,520)	(79)	(1,599)
At 30 June 2009	275,778	41,218	8,971	-	-	1,949	(267,439)	60,477	705	61,182

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Cash Flow Statement
for the second quarter ended 30 June 2010

	<u>NOTE</u>	30.06.2010 RM'000	30.06.2009 RM'000
Cash flows from/(used in) operating activities			
Profit/(Loss) before taxation		4,467	(11,092)
Adjustments for :			
Amortisation of prepaid lease payments		125	131
Depreciation		4,338	4,273
Fixed asset(s) written off		-	9
Gross dividend income from quoted investments in Malaysia		(3)	(2)
Gain on disposal of quoted investment(s)		-	(1)
Gain on disposal of property, plant and equipment		(18)	-
Gain on deemed disposal of a quoted associate		(15,419)	-
Interest expense		3,955	4,343
Interest income		(77)	(12)
Loss on disposal of property, plant and equipment		26	-
Share options granted to employees ("ESOS")		888	-
Share in losses of associate		2,061	1,131
Unrealised gain on foreign exchange		(32)	-
Unrealised loss on foreign exchange		60	41
Operating profit/(loss) before working capital change		371	(1,179)
Increase in inventories		(14,118)	(3,463)
Increase in trade and other receivables		(12,224)	(5,933)
Increase/(decrease) in trade and other payables		21,123	(8,707)
Cash used in operation:		(4,848)	(19,282)
Income taxes refund/(paid)		1,325	(293)
Interest paid		(3,955)	(4,343)
Interest received		77	12
Net cash used in operating activities		(7,401)	(23,906)
Cash flows from/(used in) investing activities			
Dividends received		3	2
Increase in fixed deposits pledged		(1,750)	(1,734)
Payment for exploration and evaluation assets		(164)	(912)
Payment for mine development expenditure		(897)	-
Purchase of property, plant and equipment		(883)	(5)
Proceeds from disposal of property, plant and equipment		4,472	2
Proceeds from disposal of quoted investment		-	4
Net cash from/(used) in investing activities		781	(2,643)
Cash flows from/(used in) financing activities			
Repayments from associate(s)		646	-
Proceeds from rights issue of ordinary share:		27,578	-
(Repayments of)/Proceeds from trade finance		(1,941)	3,870
Repayments of term loans		(10,180)	(2,881)
Repayments of hire purchase liabilities		(12)	(12)
Net cash generated from financing activities		16,091	977
Exchange differences		(156)	555
Net increase/(decrease) in cash and cash equivalents		9,315	(25,017)
Cash and cash equivalents at beginning of period		3,751	26,939
Cash and cash equivalents at end of period	1	13,066	1,922

NOTE

1. Cash and cash equivalent

Cash and cash equivalents comprise of :

	30.06.2010 RM'000	30.06.2009 RM'000
Cash and bank balances	14,473	3,594
Deposits with licensed banks	8,275	5,392
	22,748	8,986
Bank overdrafts	(1,407)	(1,672)
Deposits pledged as security	(8,275)	(5,392)
	13,066	1,922

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009.