

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2010

	Individual Quarter		Cumulative Quarters	
	Oct - Dec 2010	Oct - Dec 2009	Jan - Dec 2010	Jan - Dec 2009
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue				
- sales of goods	54,310	34,102	240,268	143,526
- services	162	103	261	517
	54,472	34,205	240,529	144,043
Cost of sales				
- sales of goods	(51,109)	(39,493)	(226,127)	(148,570)
- services	-	-	-	-
	(51,109)	(39,493)	(226,127)	(148,570)
	3,363	(5,288)	14,402	(4,527)
Gross Profit/(Loss)				
Operating (expenses)/income	(3,670)	(2,715)	(14,142)	(9,406)
Gain on deemed disposal of a quoted associate	6,760	-	22,179	-
	6,453	(8,003)	22,439	(13,933)
Operating Profit/(Loss)				
Interest expense	(3,158)	(2,255)	(7,113)	(8,888)
Interest income	38	4	148	17
Share of results of Associate:	(2,219)	(878)	(6,173)	(2,676)
	1,114	(11,132)	9,301	(25,480)
Profit/(Loss) before tax				
Income tax expense	-	1,497	-	1,497
	1,114	(9,635)	9,301	(23,983)
Net Profit/(Loss) for the period				
Other Comprehensive Income/(Loss):				
Currency translation differences arising from consolidation	(24)	(1,514)	(2,051)	(67)
Gain arising from revaluation of property, plant and equipment	-	-	-	8,971
Available for sale ("AFS") quoted investments	4	16	(70)	(14)
Share in comprehensive income/(loss) of a quoted associate	147	(386)	2,856	205
Income tax relating to components of other comprehensive income/(loss)	-	-	-	-
	127	(1,884)	735	9,095
Other Comprehensive Income/(Loss) net of tax				
	1,241	(11,519)	10,036	(14,888)
Total Comprehensive Income/(Loss) for the period				
Profit/(Loss) attributable to:				
Equity holders of the Company	1,385	(9,588)	9,839	(23,807)
Minority interests	(271)	(47)	(538)	(176)
	1,114	(9,635)	9,301	(23,983)
Total Comprehensive Income/(Loss) attributable to:				
Equity holders of the Company	1,512	(11,472)	10,574	(14,712)
Minority interests	(271)	(47)	(538)	(176)
	1,241	(11,519)	10,036	(14,888)
Profit/(Loss) per share attributable to equity holders of the Company				
- Basic (sen)	0.32	(3.48)	2.61	(8.63)
- Diluted (sen)	N/A	(3.48)	2.46	(8.63)

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 31 December 2010

	Unaudited	Audited
	As at	As at
	31.12.10	31.12.09
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	58,090	60,374
Exploration & evaluation assets	3,164	3,017
Mine development expenditure	4,969	-
Prepaid lease payments	5,741	6,371
Investment in Associates	38,677	23,063
Available for sale quoted investments	100	184
	110,741	93,009
Current assets		
Inventories	34,681	35,961
Leasehold properties held for sale	1,850	7,000
Trade and other receivables	34,663	20,721
Amount due from an associate	-	2,982
Prepaid lease payments	237	254
Tax recoverable	1,035	2,625
Cash and bank balances	20,297	5,018
	92,763	74,561
TOTAL ASSETS	203,504	167,570
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	91,777	275,778
Reserves	4,657	(228,684)
	96,434	47,094
Minority interests	70	608
TOTAL EQUITY	96,504	47,702
Non-current liabilities		
Long term borrowings	17,359	31,000
Other long term payables	345	-
	17,704	31,000
Current liabilities		
Trade and other payables	23,749	19,887
Amount due to an associate	2,542	2,578
Short term borrowings	62,753	66,031
Tax payable	252	372
	89,296	88,868
TOTAL LIABILITIES	107,000	119,868
TOTAL EQUITY AND LIABILITIES	203,504	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)	0.21	0.17
Net Tangible Assets per share (RM)	0.20	0.16

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2010

	← ← Attributable to shareholders of the Company → →									
	← Non Distributable →				→ Exchange →					
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Equity reserve RM'000	fluctuation reserve RM'000	Accumulated losses RM'000	Sub-total RM'000	Minority interest RM'000	Total equity RM'000
<u>Current Year's 12 months ended 31.12.10</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
Increase in share capital via placement of ordinary shares	8,273	4,137	-	-	-	-	-	12,410	-	12,410
Share options granted to employees:										
- converted into ordinary shares	771	211	-	-	-	-	-	982	-	982
- pending conversion into ordinary shares	-	-	-	-	666	-	-	666	-	666
Total comprehensive income for the financial year ended 31 December 2010	-	-	-	(70)	-	(2,051)	9,839	7,718	(538)	7,180
At 31 December 2010	91,777	4,348	8,971	(84)	666	(691)	(8,553)	96,434	70	96,504
<u>Preceding Year's 12 months ended 31.12.09</u>										
At 1 January 2009	275,778	41,218	-	-	-	1,427	(256,426)	61,997	784	62,781
Total comprehensive loss for the financial year ended 31 December 2009	-	-	8,971	-	-	(67)	(23,807)	(14,903)	(176)	(15,079)
At 31 December 2009	275,778	41,218	8,971	-	-	1,360	(280,233)	47,094	608	47,702

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 financial year ended 31 December 2010

	<u>NOTE</u>	31.12.2010 RM'000	31.12.2009 RM'000
Cash flows from/(used in) operating activities			
Profit/(Loss) before taxation		9,301	(25,480)
Adjustments for			
Amortisation of prepaid lease payment		245	259
Bad debts written off		-	8
Depreciation		8,540	9,090
Fixed asset(s) written off		-	10
Gross dividend income from quoted investment(s) in Malays		(5)	(5)
Gain on disposal of property, plant and equipment		(44)	-
Gain on deemed disposal of a quoted associate		(22,179)	-
Impairment of leasehold property held for sale		150	-
Interest expense		7,113	8,888
Interest income		(147)	(17)
Loss on disposal of property, plant and equipment		26	20
Loss on disposal of a subsidiary		-	35
Provision for doubtful debts no longer require		-	(5)
Share options granted to employees ('ESOS')		878	-
Share in results of associate		6,173	2,676
Unrealised gain on foreign exchange		(221)	(161)
Unrealised loss on foreign exchange		663	272
		10,493	(4,410)
Operating profit/(loss) before working capital change:			
(Increase)/decrease in inventories:		(2,403)	9,502
(Increase)/decrease in trade and other receivable		(13,079)	6,283
Increase/(decrease) in trade and other payable		6,124	(11,826)
		1,135	(451)
Cash flows from/(used in) operation:			
Income tax refunded		1,346	84
Income tax paid		(120)	(301)
Interest paid		(7,113)	(8,888)
Interest received		147	17
		(4,605)	(9,539)
Net cash used in operating activities			
Cash flows from/(used in) investing activities			
Dividends received		5	4
Increase in fixed deposits pledged		(3,646)	(3,880)
Payment for exploration and evaluation asset		(148)	(2,594)
Payment for mine development expenditure		(4,969)	-
Purchase of property, plant and equipment		(9,178)	(335)
Proceeds from disposal of property, plant and equipment		4,505	2
Proceeds from disposal of quoted investment(s)		-	3
		(13,431)	(6,800)
Net cash used in investing activities			
Cash flows from/(used in) financing activities			
Repayments from associate(s)		2,964	-
Proceeds from rights issue of ordinary share		27,578	-
Proceeds from placement of ordinary share		12,410	-
Proceeds from conversion of share options into ordinary share		770	-
Proceeds from trade financing		3,874	1,307
Repayments of term loan(s)		(14,350)	(4,889)
Repayments of hire purchase and finance lease liabilities		(34)	(24)
		33,212	(3,606)
Net cash generated from/(used in) financing activities			
Exchange difference:		(144)	(281)
		15,032	(20,226)
Net increase/(decrease) in cash and cash equivalent:		3,751	23,977
Cash and cash equivalents at beginning of year:		18,783	3,751
Cash and cash equivalents at end of year	1	18,783	3,751

NOTE

1. Cash and cash equivalents:

Cash and cash equivalents comprise of

	31.12.2010 RM'000	31.12.2009 RM'000
Cash and bank balance	20,297	5,018
Deposits with licensed bank:	9,636	6,842
	29,933	11,860
Bank overdrafts	(1,514)	(1,267)
Deposits pledged as security	(9,636)	(6,842)
	18,783	3,751

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010

HO WAH GENTING BERHAD (272923-H)

DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

	As at 31 Dec 2010	As at 30 Sep 2010
	RM'000	RM'000
Total retained profits/(accumulated losses) of HWGB and its subsidiaries:		
- Realised	(28,091)	(26,460)
- Unrealised	33,524	26,764
	5,433	304
Total share of accumulated losses from associated companies:		
- Realised	(13,828)	(11,609)
- Unrealised	-	-
	(8,395)	(11,305)
Consolidation adjustments	(158)	(226)
Total group accumulated losses as per consolidated accounts	(8,553)	(11,531)