

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2011

	Individual Quarter		Cumulative Quarters	
	Oct - Dec 2011 RM'000	Oct - Dec 2010 RM'000	Jan - Dec 2011 RM'000	Jan - Dec 2010 RM'000
Continuing operations				
Revenue				
- sales of goods	55,883	54,310	248,728	240,268
- services	156	162	631	261
	<u>56,039</u>	<u>54,472</u>	<u>249,359</u>	<u>240,529</u>
 Cost of sales				
- sales of goods	(57,508)	(51,109)	(245,853)	(226,127)
- services	-	-	-	-
	<u>(57,508)</u>	<u>(51,109)</u>	<u>(245,853)</u>	<u>(226,127)</u>
Gross (Loss)/Profit	(1,469)	3,363	3,506	14,402
 Operating expenses	(5,026)	(3,540)	(15,928)	(14,011)
Gain on deemed disposal of a quoted associate	-	6,944	12,204	22,363
Currency translation gain due to reclassification from investment in associate to AFS quoted investment	1,943	-	1,943	-
Loss on reclassification from investment in associate to AFS quoted investment	(1,221)	-	(1,221)	-
	<u>(5,773)</u>	<u>6,767</u>	<u>504</u>	<u>22,754</u>
Operating (Loss)/Profit	(5,773)	6,767	504	22,754
 Interest expense	(1,425)	(1,697)	(5,705)	(7,245)
Interest income	38	37	290	147
Share of results of Associates	(3)	(2,389)	(6,329)	(6,343)
	<u>(7,163)</u>	<u>2,718</u>	<u>(11,240)</u>	<u>9,313</u>
(Loss)/Profit before tax	(7,163)	2,718	(11,240)	9,313
 Income tax expense	588	-	(125)	-
	<u>(6,575)</u>	<u>2,718</u>	<u>(11,365)</u>	<u>9,313</u>
Net (Loss)/Profit for the period	(6,575)	2,718	(11,365)	9,313
 Other Comprehensive Income/(Loss):				
Currency translation differences arising from consolidation	(1,150)	(48)	887	(2,075)
Gain arising from revaluation of property, plant and equipment	-	-	-	-
Available for sale ("AFS") quoted investments	(8,115)	4	(8,130)	(70)
Income tax relating to components of other comprehensive income/(loss)	-	-	-	-
	<u>(9,265)</u>	<u>(44)</u>	<u>(7,243)</u>	<u>(2,145)</u>
Other Comprehensive Income/(Loss) net of tax	(9,265)	(44)	(7,243)	(2,145)
 Total Comprehensive (Loss)/Income for the period	(15,840)	2,674	(18,608)	7,168
 (Loss)/Profit attributable to:				
Owners of the Company	(5,341)	2,989	(6,997)	9,851
Non controlling interests	(1,234)	(271)	(4,368)	(538)
	<u>(6,575)</u>	<u>2,718</u>	<u>(11,365)</u>	<u>9,313</u>
 Total Comprehensive (Loss)/Income attributable to:				
Owners of the Company	(14,606)	2,945	(14,240)	7,706
Non controlling interests	(1,234)	(271)	(4,368)	(538)
	<u>(15,840)</u>	<u>2,674</u>	<u>(18,608)</u>	<u>7,168</u>
 (Loss)/Profit per share attributable to owners of the Company				
- Basic (sen)	(1.09)	0.70	(1.49)	2.61
- Diluted (sen)	N/A	0.64	N/A	2.46

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Financial Position
As at 31 December 2011

	Unaudited As at 31.12.11 RM'000	Audited As at 31.12.10 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	55,444	58,170
Exploration & evaluation assets	4,212	3,084
Mine development expenditure	8,374	4,969
Prepaid lease payments	5,600	5,741
Investment in Associates	1,056	38,677
Available for sale quoted investments	36,619	100
Deferred tax assets	600	-
	<u>111,905</u>	<u>110,741</u>
Current assets		
Inventories	34,783	34,667
Leasehold properties held for sale	-	1,850
Trade and other receivables	43,246	34,689
Prepaid lease payments	242	237
Tax recoverable	57	1,043
Cash and bank balances	6,332	20,353
	<u>84,660</u>	<u>92,839</u>
TOTAL ASSETS	<u><u>196,565</u></u>	<u><u>203,580</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	97,450	91,777
Reserves	(3,644)	4,645
	<u>93,806</u>	<u>96,422</u>
Non controlling interests	(4,298)	70
TOTAL EQUITY	<u>89,508</u>	<u>96,492</u>
Non-current liabilities		
Long term borrowings	8,927	16,183
Retirement benefits obligation	935	346
	<u>9,862</u>	<u>16,529</u>
Current liabilities		
Trade and other payables	29,643	24,447
Amount due to associates	2,542	2,566
Short term borrowings	64,878	63,294
Tax payable	132	252
	<u>97,195</u>	<u>90,559</u>
TOTAL LIABILITIES	<u>107,057</u>	<u>107,088</u>
TOTAL EQUITY AND LIABILITIES	<u><u>196,565</u></u>	<u><u>203,580</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

Net Assets per share (RM)	0.19	0.21
Net Tangible Assets per share (RM)	0.18	0.17

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2011

Attributable to Shareholders of the Company
Non Distributable

Current Year ended 31.12.11

	Share capital RM'000	Share premium RM'000	Share Revaluation reserve RM'000	Fair value reserve RM'000	Equity 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
At 1 January 2011	91,777	4,348	8,971	(84)	666	9,652	(9,652)	(715)	(8,541)	96,422	70	96,492
Increase in share capital via rights issue of ordinary shares	4,739	-	-	-	-	-	-	-	-	4,739	-	4,739
Increase in share premium via rights issue of ordinary shares	-	5,924	-	-	-	-	-	-	-	5,924	-	5,924
Issuance of additional Warrants 2010/2015	-	-	-	-	-	1,032	(1,032)	-	-	-	-	-
Issuance of New Warrants	-	-	-	-	-	2,956	(2,956)	-	-	-	-	-
Share options granted to employees: - converted into ordinary shares	934	263	-	-	(263)	-	-	-	-	934	-	934
- offer and acceptance of additional share options	-	-	-	-	55	-	-	-	-	55	-	55
- forfeiture of share options due to staff resignation	-	-	-	-	(28)	-	-	-	-	(28)	-	(28)
Total comprehensive loss for the financial year ended 31 December 2011	-	-	-	(8,130)	-	-	-	887	(6,997)	(14,240)	(4,568)	(18,608)
At 31 December 2011	97,450	10,535	8,971	(8,214)	430	13,640	(13,640)	172	(15,538)	93,806	(4,298)	89,508

Preceding Year ended 31.12.10

	Share capital RM'000	Share premium RM'000	Share Revaluation reserve RM'000	Fair value reserve RM'000	Equity 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
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
Issuance of New Warrants	-	-	-	-	-	9,652	(9,652)	-	-	-	-	-
Share options granted to employees: - offer and acceptance of additional share options	-	211	-	-	877	-	-	-	-	877	-	877
- converted into ordinary shares	771	-	-	-	(211)	-	-	-	-	771	-	771
Shares issued pursuant to private placement	8,273	4,137	-	-	-	-	-	-	-	12,410	-	12,410
Total comprehensive income for the financial year ended 31 December 2010	-	-	-	(70)	-	-	-	(2,075)	9,851	7,706	(538)	7,168
At 31 December 2010	91,777	4,348	8,971	(84)	666	9,652	(9,652)	(715)	(8,541)	96,422	70	96,492

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Cash Flow Statement
for the financial year ended 31 Dec 2011

	NOTE	31.12.2011 RM'000	31.12.2010 RM'000
Cash flows (used in)/from operating activities			
(Loss)/Profit before taxation		(11,240)	9,313
Adjustments for:			
Amortisation of prepaid lease payments		1,070	245
Depreciation		9,229	8,541
Gross dividend income from quoted investment(s) in Malaysia		(2)	(7)
Gain on disposal of property, plant and equipment		(17)	(43)
Gain on deemed disposal of a quoted associate		(12,204)	(22,363)
Impairment of leasehold property held for sale		-	150
Inventories written down		1,781	-
Interest expense		5,705	7,245
Interest income		(340)	(147)
Loss on disposal of leasehold property held for sale		-	25
Loss on disposal of property, plant and equipment		23	-
Loss on reclassification from investment in associate to AFS quoted investment		1,221	-
Currency translation gain due to reclassification from investment in associate to AFS quoted investment		(1,943)	-
Provision for retirement benefits		555	389
Property, plant and equipment written off		-	-
Share options granted to employees ("ESOS")		55	877
Share options ("ESOS") forfeited due to staff resignation		(28)	-
Share of results of associates		6,329	6,343
Unrealised gain on foreign exchange		(418)	(29)
Unrealised loss on foreign exchange		-	457
Operating (loss)/profit before working capital changes		(224)	10,996
Increase in inventories		(925)	(2,377)
Increase in trade and other receivables		(3,017)	(15,392)
Increase in trade and other payables		4,634	6,794
Cash flows from operations		468	21
Income tax refunded		207	1,347
Income tax paid		(120)	(121)
Interest paid		(5,705)	(7,245)
Interest received		290	147
Net cash used in operating activities		(4,860)	(5,851)
Cash flows (used in)/from investing activities			
Dividends received		2	7
Increase in fixed deposits pledged		(3,657)	(3,646)
Payment for exploration and evaluation assets		(1,426)	(67)
Payment for mine development expenditure		(3,937)	-
Payment for purchase of property, plant and equipment		(6,076)	(14,434)
Proceeds from disposal of leasehold property held for sale		1,850	4,975
Proceeds from disposal of property, plant and equipment		211	49
Net cash used in investing activities		(13,033)	(13,116)
Cash flows (used in)/from financing activities			
Advances/Repayments from associate(s)		5	2,970
Proceeds from rights issue of ordinary shares		10,663	27,578
Proceeds from placement of ordinary shares		-	12,410
Proceeds from conversion of share options into ordinary shares		934	771
Proceeds from/(Repayments of) trade finance		1,470	3,872
Increase in hire purchase and finance lease liabilities		100	-
Repayments of term loan(s)		(8,990)	(14,221)
Repayments of hire purchase and finance lease liabilities		(47)	(34)
Net cash from financing activities		4,135	33,346
Exchange differences		(193)	709
Net (decrease)/increase in cash and cash equivalents		(13,951)	15,088
Cash and cash equivalents at beginning of year		18,839	3,751
Cash and cash equivalents at end of financial period	1	4,888	18,839

NOTE

1. Cash and cash equivalents

Cash and cash equivalents comprise of :

	31.12.2011 RM'000	31.12.2010 RM'000
Cash and bank balances	6,332	20,353
Deposits with licensed banks	13,736	9,636
Bank overdrafts	20,068	29,989
Deposits pledged as security	(1,444)	(1,514)
	(13,736)	(9,636)
	4,888	18,839

HO WAH GENTING BERHAD (272923-H)

DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

	As at 31 Dec 2011	As at 31 Dec 2010
	RM'000	RM'000
Total retained profits/(accumulated losses) of HWGB and its subsidiaries:		
- Realised	(114,650)	(95,165)
- Unrealised	45,365	30,916
	(69,285)	(64,249)
Total share of accumulated losses from associated companies:		
- Realised	(15,143)	(8,814)
- Unrealised	(1,339)	(1,339)
	(85,767)	(74,402)
Consolidation adjustments	70,229	65,861
Total group accumulated losses as per financial statements	(15,538)	(8,541)