

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 30 June 2012

	Individual Quarter		Cumulative Quarters	
	Apr - Jun 2012	Apr - Jun 2011	Jan - Jun 2012	Jan - Jun 2011
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue				
- sales of goods	56,426	69,036	105,529	120,517
- services	156	158	311	319
	<u>56,582</u>	<u>69,194</u>	<u>105,840</u>	<u>120,836</u>
Cost of sales				
- sales of goods	(56,031)	(69,396)	(104,274)	(118,003)
- services	-	-	-	-
	<u>(56,031)</u>	<u>(69,396)</u>	<u>(104,274)</u>	<u>(118,003)</u>
Gross Profit/(Loss)	<u>551</u>	<u>(202)</u>	<u>1,566</u>	<u>2,833</u>
Operating expenses	(2,861)	(2,557)	(6,230)	(5,862)
Gain on deemed disposal of a quoted associate	-	10,788	-	12,204
Operating (Loss)/Profit	<u>(2,310)</u>	<u>8,029</u>	<u>(4,664)</u>	<u>9,175</u>
Interest expense	(866)	(1,409)	(2,522)	(2,875)
Interest income	77	25	107	82
Share of results of Associates	(4)	(1,845)	(11)	(4,344)
(Loss)/Profit before tax	<u>(3,104)</u>	<u>4,800</u>	<u>(7,090)</u>	<u>2,038</u>
Income tax expense	-	-	-	-
Net (Loss)/Profit for the period	<u>(3,104)</u>	<u>4,800</u>	<u>(7,090)</u>	<u>2,038</u>
Other Comprehensive Income/(Loss):				
Currency translation differences arising from consolidation	731	(1,133)	5	823
Available for sale ("AFS") quoted investments	(11,141)	(37)	(21,224)	(4)
Income tax relating to components of other comprehensive income/(loss)	-	-	-	-
Other Comprehensive (Loss)/Income net of tax	<u>(10,409)</u>	<u>(1,170)</u>	<u>(21,219)</u>	<u>819</u>
Total Comprehensive (Loss)/Income for the period	<u>(13,513)</u>	<u>3,630</u>	<u>(28,309)</u>	<u>2,857</u>
(Loss)/Profit attributable to:				
Owners of the Company	(2,211)	6,246	(6,333)	3,895
Non controlling interests	(893)	(1,446)	(757)	(1,857)
	<u>(3,104)</u>	<u>4,800</u>	<u>(7,090)</u>	<u>2,038</u>
Total Comprehensive (Loss)/Income attributable to:				
Owners of the Company	(12,621)	5,076	(27,552)	4,714
Non controlling interests	(892)	(1,446)	(757)	(1,857)
	<u>(13,513)</u>	<u>3,630</u>	<u>(28,309)</u>	<u>2,857</u>
(Loss)/Profit per share attributable to owners of the Company				
- Basic (sen)	(0.408)	1.349	(1.215)	0.844
- Diluted (sen)	N/A	1.126	N/A	0.841

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011.

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Financial Position
As at 30 June 2012

	Un-audited As at 30.06.12 RM'000	Audited As at 31.12.11 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	64,969	66,732
Exploration & evaluation assets	1,180	475
Prepaid lease payments	5,492	5,600
Investment in Associates	1,044	1,055
Available for sale quoted investments	15,415	36,639
Deferred tax assets	600	600
	<u>88,700</u>	<u>111,101</u>
Current assets		
Inventories	54,979	34,783
Trade and other receivables	51,151	33,568
Prepaid lease payments	242	242
Tax recoverable	19	101
Cash and bank balances	12,562	15,956
	<u>118,953</u>	<u>84,650</u>
TOTAL ASSETS	<u><u>207,653</u></u>	<u><u>195,751</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	107,358	97,451
Reserves	(23,129)	(3,617)
	<u>84,229</u>	<u>93,834</u>
Non controlling interests	(5,020)	(4,263)
TOTAL EQUITY	<u>79,209</u>	<u>89,571</u>
Non-current liabilities		
Long term borrowings	4,787	8,927
Retirement benefits obligation	1,054	935
	<u>5,841</u>	<u>9,862</u>
Current liabilities		
Trade and other payables	61,245	28,766
Amount due to associates	2,542	2,542
Short term borrowings	58,744	64,878
Tax payable	72	132
	<u>122,603</u>	<u>96,318</u>
TOTAL LIABILITIES	<u>128,444</u>	<u>106,180</u>
TOTAL EQUITY AND LIABILITIES	<u><u>207,653</u></u>	<u><u>195,751</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 2011.

Net Assets per share (RM)	0.16	0.19
Net Tangible Assets per share (RM)	0.15	0.19

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Changes in Equity
for the financial period ended 30 June 2012

	Attributable to Shareholders of the Company										Total equity RM'000	
	Non Distributable					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	
Current Year's 6 months ended 30.06.12												
At 1 January 2012	97,451	10,535	8,971	(8,194)	430	13,640	(13,640)	203	(15,562)	93,834	(4,263)	89,571
Increase in share capital via placement of ordinary shares	9,745	-	-	-	-	-	-	-	-	9,745	-	9,745
Increase in share premium via placement of ordinary shares	-	8,040	-	-	-	-	-	-	-	8,040	-	8,040
Share options granted to employees: - converted into ordinary shares	162	49	-	-	(49)	-	-	-	-	162	-	162
Total comprehensive loss for the financial period ended 30 June 2012	-	-	-	(21,224)	-	-	-	5	(6,333)	(27,552)	(757)	(28,309)
At 30 June 2012	107,358	18,624	8,971	(29,418)	381	13,640	(13,640)	208	(21,895)	84,229	(5,020)	79,209
Preceding Year's 6 months ended 30.06.11												
At 1 January 2011	91,777	4,348	8,971	(84)	666	9,652	(9,652)	(715)	(8,541)	96,422	70	96,492
Share options granted to employees: - converted into ordinary shares	874	240	-	-	(240)	-	-	-	-	874	-	874
Total comprehensive loss for the financial period ended 30 June 2011	-	-	-	(4)	-	-	-	823	3,895	4,714	(1,857)	2,857
At 30 June 2011	92,651	4,588	8,971	(88)	426	9,652	(9,652)	108	(4,646)	102,010	(1,787)	100,223

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011.

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Cash Flow Statement
for the financial period ended 30 June 2012

	<u>NOTE</u>	30.06.2012 RM'000	30.06.2011 RM'000
Cash flows from/(used in) operating activities			
(Loss)/Profit before taxation		(7,090)	2,038
Adjustments for:			
Amortisation of prepaid lease payments		118	117
Depreciation		4,750	4,668
Fixed asset(s) written off		45	-
Gross dividend income from quoted investment(s) in Malaysia		(2)	(2)
Gain on disposal of property, plant and equipment		-	(17)
Gain on deemed disposal of a quoted associate		-	(12,204)
Interest expense		2,522	2,875
Interest income		(107)	(81)
Loss on disposal of property, plant and equipment		129	-
Provision for retirement benefits		111	109
Share of results of associates		11	4,344
Unrealised gain on foreign exchange		-	(176)
Unrealised loss on foreign exchange		250	19
Operating profit before working capital changes		737	1,690
Increase in inventories		(19,323)	(14,753)
Increase in trade and other receivables		(790)	(11,868)
Increase in trade and other payables		25,903	28,078
Cash flows from operations		6,527	3,147
Income tax paid		(60)	(60)
Income tax refunded		29	-
Interest paid		(2,522)	(2,875)
Interest received		107	81
Net cash from operating activities		4,081	293
Cash flows used in investing activities			
Dividends received		2	2
Increase in fixed deposits pledged		(1,847)	(1,815)
Payment for exploration and evaluation assets		(705)	-
Payment for mine development expenditure		(19)	(2,020)
Purchase of property, plant and equipment		(3,160)	(4,656)
Proceeds from disposal of property, plant and equipment		70	21
Net cash used in investing activities		(5,659)	(8,468)
Cash flows from/(used in) financing activities			
Proceeds from placement of ordinary shares		17,784	-
Proceeds from conversion of share options into ordinary shares		162	874
(Repayments of)/Proceeds from trade finance		(6,009)	107
Repayments of term loan(s)		(3,777)	(3,480)
Repayments of hire purchase and finance lease liabilities		(45)	(21)
Net cash from/(used in) financing activities		8,115	(2,520)
Exchange differences		82	(59)
Net increase/(decrease) in cash and cash equivalents		6,619	(10,754)
Cash and cash equivalents at beginning of period		4,907	18,840
Cash and cash equivalents at end of period	1	11,526	8,086

NOTE

1. Cash and cash equivalents

Cash and cash equivalents comprise of:

	30.06.2012 RM'000	30.06.2011 RM'000
Cash and bank balances	12,562	9,497
Deposits with licensed banks	15,707	11,245
	28,269	20,742
Bank overdrafts	(1,036)	(1,411)
Deposits pledged as security	(15,707)	(11,245)
	11,526	8,086

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011.

HO WAH GENTING BERHAD (272923-H)

DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

	As at 30 Jun 2012	As at 31 Dec 2011
	RM'000	RM'000
Total retained profits/(accumulated losses) of HWGB and its subsidiaries:		
- Realised	(128,959)	(118,577)
- Unrealised	5,539	2,236
	(123,420)	(116,341)
Total share of accumulated losses from associated companies:		
- Realised	(1,356)	(1,345)
- Unrealised	-	-
	(124,776)	(117,686)
Consolidation adjustments	102,881	102,124
Total group accumulated losses as per financial statements	(21,895)	(15,562)