

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**for the financial period ended 30 June 2015**

	Individual Quarter		Cumulative Quarters	
	2015 Apr - Jun RM'000	2014 Apr - Jun RM'000	2015 Jan - Jun RM'000	2014 Jan - Jun RM'000
<b>Continuing operations</b>				
<b>Revenue</b>				
- sales of goods	43,987	52,021	92,109	95,914
- rendering of services	841	-	1,740	-
- rental income	12	169	24	339
	<b>44,840</b>	<b>52,190</b>	<b>93,873</b>	<b>96,253</b>
<b>Cost of sales</b>				
- sales of goods	(45,355)	(51,187)	(96,486)	(96,203)
- rendering of services	(922)	-	(1,750)	-
- rental income	-	-	-	-
	(46,277)	(51,187)	(98,236)	(96,203)
<b>Gross profit/(loss)</b>	<b>(1,437)</b>	<b>1,003</b>	<b>(4,363)</b>	<b>50</b>
Other operating income	2,452	1,259	7,085	2,523
Distribution costs	(648)	(902)	(1,462)	(1,614)
Administrative expenses	(3,147)	(3,232)	(6,238)	(6,040)
Other operating expenses	(2,054)	(655)	(3,288)	(3,362)
<b>Operating loss</b>	<b>(4,834)</b>	<b>(2,527)</b>	<b>(8,266)</b>	<b>(8,443)</b>
Finance costs	(928)	(1,199)	(1,657)	(2,307)
Share of results of associates	-	(27)	-	(28)
<b>Loss before tax</b>	<b>(5,762)</b>	<b>(3,753)</b>	<b>(9,923)</b>	<b>(10,778)</b>
Income tax expense	(4)	-	(4)	-
<b>Net loss for the period</b>	<b>(5,766)</b>	<b>(3,753)</b>	<b>(9,927)</b>	<b>(10,778)</b>
<b>Other comprehensive Income/(Loss):</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Gain/(Loss) on fair value changes on available for sale financial assets				
- Current period	-	921	-	925
- Recycled to profit and loss	-	-	60	-
Foreign currency translation differences	128	(105)	(674)	(156)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>128</b>	<b>816</b>	<b>(614)</b>	<b>769</b>
<b>Total comprehensive loss for the period</b>	<b>(5,638)</b>	<b>(2,937)</b>	<b>(10,541)</b>	<b>(10,009)</b>
<b>Loss attributable to:</b>				
Owners of the Company	(4,951)	(3,322)	(8,450)	(10,076)
Non controlling interests	(815)	(431)	(1,477)	(702)
	<b>(5,766)</b>	<b>(3,753)</b>	<b>(9,927)</b>	<b>(10,778)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(4,823)	(2,506)	(9,064)	(9,307)
Non controlling interests	(815)	(431)	(1,477)	(702)
	<b>(5,638)</b>	<b>(2,937)</b>	<b>(10,541)</b>	<b>(10,009)</b>
<b>Profit/(Loss) per share attributable to owners of the Company</b>				
- Basic (sen)	(0.82)	(0.56)	(1.41)	(1.70)
- 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

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2015**

	<b>Un-audited</b> <b>As at</b> <b>30 Jun 2015</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31 Dec 2014</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	59,300	58,722
Exploration & evaluation assets	4,492	4,473
Intangible asset	37	78
Other financial assets	-	5,990
	<b>63,829</b>	<b>69,263</b>
<b>Current assets</b>		
Inventories	35,963	55,031
Trade receivables	12,480	8,809
Other receivables, deposits and prepayments	8,141	5,043
Tax recoverable	393	46
Fixed deposits	275	235
Cash and bank balances	17,136	11,612
	<b>74,388</b>	<b>80,776</b>
<b>TOTAL ASSETS</b>	<b>138,217</b>	<b>150,039</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the Company:		
Share capital	120,229	118,206
Reserves	27,235	27,873
Accumulated losses	(99,965)	(91,539)
	<b>47,499</b>	<b>54,540</b>
Non controlling interests	(10,454)	(9,245)
<b>TOTAL EQUITY</b>	<b>37,045</b>	<b>45,295</b>
<b>Non-current liabilities</b>		
Hire purchase and finance lease liabilities	37	63
Long term borrowings	25,665	27,592
Retirement benefits obligation	1,850	1,840
Deferred tax liabilities	2,076	2,076
	<b>29,628</b>	<b>31,571</b>
<b>Current liabilities</b>		
Trade payables	39,535	32,648
Other payables and accruals	14,810	20,660
Hire purchase and finance lease liabilities	45	52
Short term borrowings	16,925	19,813
Tax payable	229	-
	<b>71,544</b>	<b>73,173</b>
<b>TOTAL LIABILITIES</b>	<b>101,172</b>	<b>104,744</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>138,217</b>	<b>150,039</b>
	-	-
The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014		
<b>Net Assets per share (RM)</b>	<b>0.08</b>	<b>0.09</b>
<b>Net Tangible Assets per share (RM)</b>	<b>0.06</b>	<b>0.08</b>

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the financial period ended 30 June 2015**

	← Attributable to Shareholders of the Company →											Non controlling interests RM'000	Total equity RM'000
	← 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			
<b>Current period's 6 months ended 30 June 2015</b>													
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	
<b>Transactions with owners:</b>													
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	
<b>Other comprehensive income/(loss) for the period</b>													
Recycled to profit or loss	-	-	-	60	-	-	-	-	-	60	-	60	
Foreign currency translation differences	-	-	-	-	-	-	-	(674)	-	(674)	-	(674)	
	-	-	-	60	-	-	-	(674)	-	(614)	-	(614)	
Loss for the period	-	-	-	-	-	-	-	-	(8,450)	(8,450)	(1,477)	(9,927)	
Total comprehensive loss for the period	-	-	-	60	-	-	-	(674)	(8,450)	(9,064)	(1,477)	(10,541)	
<b>At 30 June 2015</b>	<b>120,229</b>	<b>21,606</b>	<b>6,577</b>	<b>-</b>	<b>328</b>	<b>2,956</b>	<b>(2,956)</b>	<b>(1,276)</b>	<b>(99,965)</b>	<b>47,499</b>	<b>(10,454)</b>	<b>37,045</b>	
<b>Preceding period's 6 months ended 30 June 2014</b>													
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	
<b>Other comprehensive income/(loss) for the period:</b>													
Net gain on fair value changes of available for sale financial assets	-	-	-	925	-	-	-	-	-	925	-	925	
Foreign currency translation differences	-	-	-	-	-	-	-	(156)	-	(156)	-	(156)	
	-	-	-	925	-	-	-	(156)	-	769	-	769	
Loss for the period	-	-	-	-	-	-	-	-	(10,076)	(10,076)	(702)	(10,778)	
Total comprehensive loss for the period	-	-	-	925	-	-	-	(156)	(10,076)	(9,307)	(702)	(10,009)	
<b>At 30 June 2014</b>	<b>118,206</b>	<b>21,606</b>	<b>6,577</b>	<b>872</b>	<b>352</b>	<b>13,640</b>	<b>(13,640)</b>	<b>(379)</b>	<b>(79,977)</b>	<b>67,257</b>	<b>(8,110)</b>	<b>59,147</b>	

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

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statements of Cash Flows**  
**for the financial period ended 30 June 2015**

	<u>NOTE</u>	30 Jun 2015 RM'000	30 Jun 2014 RM'000
<b>Cash flows from/(used in) operating activities</b>			
Loss before taxation		(9,923)	(10,778)
Adjustments for:			
Amortisation of intangible asset		40	40
Depreciation		1,808	2,625
Gross dividend income from available for sale financial assets in Malaysia		-	(1)
Gain on disposal of available for sale financial assets		(1,864)	-
Impairment loss on available for sale of financial assets		-	1,924
Impairment loss on investment in associate		-	16
Interest expense		1,657	2,307
Interest income		(32)	(6)
Inventories written off		310	-
Gain on disposal of property, plant and equipment		(143)	(1)
Loss on disposal of shares in a subsidiary		808	-
Allowance for doubtful debts		22	-
Allowance for doubtful debts no longer required		(81)	-
Provision for retirement benefit obligations		130	118
Share of results of associates		-	28
Unrealised loss on foreign exchange		108	-
Unrealised gain on foreign exchange		(703)	(83)
<b>Operating loss before working capital changes</b>		<b>(7,863)</b>	<b>(3,811)</b>
Decrease/(Increase) in inventories		11,076	(8,246)
(Increase)/Decrease in trade and other receivables		(1,322)	2,658
Increase in trade and other payables		1,700	11,185
<b>Cash flows from/(used in) operations</b>		<b>3,591</b>	<b>1,786</b>
Income tax paid		(5)	(20)
Income tax refunded		67	-
Interest paid		(1,657)	(2,307)
Interest received		32	6
Retirement benefits paid		(274)	(86)
<b>Net cash from/(used in) operating activities</b>		<b>1,754</b>	<b>(621)</b>
<b>Cash flows from/(used in) investing activities</b>			
Dividends received		-	1
Increase in sinking funds account		-	(748)
(Increase)/Decrease in fixed deposits pledged		(41)	35
Payment for exploration and evaluation assets		(19)	(43)
Purchase of property, plant and equipment		(911)	(2,433)
Proceeds from disposal of property, plant and equipment		146	22
Proceeds from disposal of available for sale financial assets		7,916	-
<b>Net cash from/(used in) investing activities</b>		<b>7,091</b>	<b>(3,166)</b>
<b>Cash flows from/(used in) financing activities</b>			
Repayment to associate		-	(20)
Proceeds from conversion of Warrant 2010/2015 into ordinary shares		2,023	-
Proceeds from trade finance		17,066	70,676
Repayment of trade finance		(19,805)	(67,405)
Repayment of term loan(s)		(3,008)	(1,639)
Repayment of hire purchase and finance lease liabilities		(33)	(32)
<b>Net cash (used in)/from financing activities</b>		<b>(3,757)</b>	<b>1,580</b>
Exchange differences		(109)	(770)
Net increase/(decrease) in cash and cash equivalents		5,088	(2,977)
Cash and cash equivalents at beginning of year		4,724	6,368
<b>Cash and cash equivalents at end of period</b>	<b>1</b>	<b>9,703</b>	<b>3,391</b>

**NOTE**

**1. Cash and cash equivalents**

Cash and cash equivalents comprise of :

	30 Jun 2015 RM'000	30 Jun 2014 RM'000
Cash and bank balances	17,136	26,833
Deposits with licensed banks	275	719
	17,411	27,552
Deposits pledged as security	(275)	(719)
Sinking fund account	(7,433)	(23,442)
	<b>9,703</b>	<b>3,391</b>
	-	-

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**

	<b>As at 30 Jun 2015 RM'000</b>	<b>Audited As at 31 Dec 2014 RM'000</b>
Total accumulated losses of HWGB and its subsidiaries:		
- Realised	(100,560)	(92,029)
- Unrealised	595	490
	<b>(99,965)</b>	<b>(91,539)</b>
Total share of accumulated losses from associated companies:		
- Realised	-	-
- Unrealised	-	-
	<b>(99,965)</b>	<b>(91,539)</b>
Consolidation adjustments	-	-
<b>Total group accumulated losses as per financial statements</b>	<b>(99,965)</b>	<b>(91,539)</b>