

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

	Individual Quarter		Cumulative Quarters	
	2015 Jul - Sep RM'000	2014 Jul - Sep RM'000	2015 Jan - Sep RM'000	2014 Jan - Sep RM'000
Continuing operations				
Revenue				
- sales of goods	52,139	55,810	144,248	151,724
- rendering of services	1,283	-	3,023	-
- rental income	12	170	36	509
	<u>53,434</u>	<u>55,980</u>	<u>147,307</u>	<u>152,233</u>
Cost of sales				
- sales of goods	(52,677)	(52,653)	(149,163)	(148,856)
- rendering of services	(1,028)	-	(2,778)	-
- rental income	-	-	-	-
	<u>(53,705)</u>	<u>(52,653)</u>	<u>(151,941)</u>	<u>(148,856)</u>
Gross profit/(loss)	<u>(271)</u>	<u>3,327</u>	<u>(4,634)</u>	<u>3,377</u>
Other operating income	2,634	1,174	9,719	3,697
Distribution costs	(824)	(839)	(2,286)	(2,453)
Administrative expenses	(4,352)	(2,978)	(10,590)	(9,018)
Other operating expenses	(286)	(159)	(3,574)	(3,521)
Operating profit/(loss)	<u>(3,099)</u>	<u>525</u>	<u>(11,365)</u>	<u>(7,918)</u>
Finance costs	(765)	(1,164)	(2,422)	(3,471)
Share of results of associates	-	(27)	-	(55)
Loss before tax	<u>(3,864)</u>	<u>(666)</u>	<u>(13,787)</u>	<u>(11,444)</u>
Income tax expense	(12)	-	(16)	-
Net loss for the period	<u>(3,876)</u>	<u>(666)</u>	<u>(13,803)</u>	<u>(11,444)</u>
Other comprehensive Income/(Loss):				
Items that may be reclassified subsequently to profit or loss				
Gain/(Loss) on fair value changes on available for sale financial assets				
- Current period	-	(139)	-	786
- Recycled to profit and loss	-	-	60	-
Foreign currency translation differences	(1,335)	(1,252)	(2,009)	(1,408)
Other comprehensive income/(loss) for the period, net of tax	<u>(1,335)</u>	<u>(1,391)</u>	<u>(1,949)</u>	<u>(622)</u>
Total comprehensive loss for the period	<u>(5,211)</u>	<u>(2,057)</u>	<u>(15,752)</u>	<u>(12,066)</u>
Loss attributable to:				
Owners of the Company	(3,391)	(314)	(11,841)	(10,390)
Non controlling interests	(485)	(352)	(1,962)	(1,054)
	<u>(3,876)</u>	<u>(666)</u>	<u>(13,803)</u>	<u>(11,444)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(4,726)	(1,705)	(13,790)	(11,012)
Non controlling interests	(485)	(352)	(1,962)	(1,054)
	<u>(5,211)</u>	<u>(2,057)</u>	<u>(15,752)</u>	<u>(12,066)</u>
Profit/(Loss) per share attributable to owners of the Company				
- Basic (sen)	(0.56)	(0.05)	(1.97)	(1.76)
- 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 September 2015

	Un-audited As at 30 Sep 2015 RM'000	Audited As at 31 Dec 2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	64,599	58,722
Exploration & evaluation assets	4,501	4,473
Intangible asset	29	78
Other financial assets	-	5,990
	69,129	69,263
Current assets		
Inventories	28,102	55,031
Trade receivables	12,918	8,809
Other receivables, deposits and prepayments	5,163	5,043
Tax recoverable	362	46
Fixed deposits	275	235
Cash and bank balances	15,719	11,612
	62,539	80,776
TOTAL ASSETS	131,668	150,039
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	120,229	118,206
Reserves	25,900	27,873
Accumulated losses	(103,356)	(91,539)
	42,773	54,540
Non controlling interests	(10,939)	(9,245)
TOTAL EQUITY	31,834	45,295
Non-current liabilities		
Hire purchase and finance lease liabilities	25	63
Long term borrowings	27,589	27,592
Retirement benefits obligation	2,193	1,840
Deferred tax liabilities	2,076	2,076
	31,883	31,571
Current liabilities		
Trade payables	36,291	32,648
Other payables and accruals	23,719	20,660
Hire purchase and finance lease liabilities	44	52
Short term borrowings	7,708	19,813
Tax payable	189	-
	67,951	73,173
TOTAL LIABILITIES	99,834	104,744
TOTAL EQUITY AND LIABILITIES	131,668	150,039
Net Assets per share (RM)	0.07	0.09
Net Tangible Assets per share (RM)	0.05	0.08

The Condensed Consolidated Statement of Financial Position 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 Changes in Equity
for the financial period ended 30 September 2015

	-----> Attributable to Shareholders of the Company <-----											
	-----> Non Distributable <-----											Total equity RM'000
	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 period's 9 months ended 30 September 2015												
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
Transactions with owners:												
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
Other comprehensive income/(loss) for the period												
Recycled to profit or loss	-	-	-	60	-	-	-	-	-	60	-	60
Foreign currency translation differences	-	-	-	-	-	-	-	(2,009)	-	(2,009)	-	(2,009)
	-	-	-	60	-	-	-	(2,009)	-	(1,949)	-	(1,949)
Loss for the period	-	-	-	-	-	-	-	-	(11,841)	(11,841)	(1,962)	(13,803)
Total comprehensive loss for the period	-	-	-	60	-	-	-	(2,009)	(11,841)	(13,790)	(1,962)	(15,752)
At 30 September 2015	120,229	21,606	6,577	-	328	2,956	(2,956)	(2,611)	(103,356)	42,773	(10,939)	31,834
Preceding period's 9 months ended 30 September 2014												
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
Other comprehensive income/(loss) for the period:												
Net gain on fair value changes of available for sale financial assets	-	-	-	786	-	-	-	-	-	786	-	786
Foreign currency translation differences	-	-	-	-	-	-	-	(1,408)	-	(1,408)	-	(1,408)
	-	-	-	786	-	-	-	(1,408)	-	(622)	-	(622)
Loss for the period	-	-	-	-	-	-	-	-	(10,390)	(10,390)	(1,054)	(11,444)
Total comprehensive loss for the period	-	-	-	786	-	-	-	(1,408)	(10,390)	(11,012)	(1,054)	(12,066)
At 30 September 2014	118,206	21,606	6,577	733	352	13,640	(13,640)	(1,631)	(80,291)	65,552	(8,462)	57,090

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 September 2015

	<u>NOTE</u>	30 Sep 2015 RM'000	30 Sep 2014 RM'000
Cash flows from/(used in) operating activities			
Loss before taxation		(13,787)	(11,444)
Adjustments for:			
Amortisation of intangible asset		48	60
Bad debts written off		134	11
Depreciation		2,901	3,528
Gross dividend income from available for sale financial assets in Malaysia		-	(1)
Gain on disposal of available for sale financial assets		(1,864)	(306)
Impairment loss on available for sale of financial assets		-	1,924
Interest expense		2,422	3,471
Interest income		(89)	(10)
Inventories written off		310	-
Gain on disposal of property, plant and equipment		(78)	(14)
Loss on disposal of shares in a subsidiary		808	-
Allowance for doubtful debts		32	-
Allowance for doubtful debts no longer required		(81)	-
Provision for retirement benefit obligations		200	175
Share of results of associates		-	55
Unrealised loss on foreign exchange		1,075	-
Unrealised gain on foreign exchange		(2,177)	(137)
Operating loss before working capital changes		(10,146)	(2,688)
Decrease/(Increase) in inventories		25,993	(6,977)
Decrease/(Increase) in trade and other receivables		4,911	(1,204)
(Decrease)/Increase in trade and other payables		(5,474)	16,200
Cash flows from operations		15,284	5,331
Income tax paid		128	(4)
Income tax refunded		(17)	-
Interest paid		(2,422)	(3,471)
Interest received		89	10
Retirement benefits paid		(346)	(98)
Net cash from operating activities		12,716	1,768
Cash flows from/(used in) investing activities			
Dividends received		-	1
Decrease/(Increase) in sinking funds account		8,660	(1,272)
(Increase)/Decrease in fixed deposits pledged		(41)	35
Payment for exploration and evaluation assets		(28)	(61)
Purchase of property, plant and equipment		(3,192)	(2,540)
Proceeds from disposal of property, plant and equipment		280	34
Proceeds from disposal of available for sale financial assets		7,916	1,807
Net cash from/(used in) investing activities		13,595	(1,996)
Cash flows from/(used in) financing activities			
Repayment to associate		-	(13)
Proceeds from conversion of Warrant 2010/2015 into ordinary shares		2,023	-
Proceeds from trade finance		17,066	98,020
Repayment of trade finance		(30,411)	(95,853)
Repayment of term loan(s)		(4,638)	(4,060)
Repayment of hire purchase and finance lease liabilities		(46)	(48)
Net cash used in financing activities		(16,006)	(1,954)
Exchange differences		690	(1,253)
Net increase/(decrease) in cash and cash equivalents		10,995	(3,435)
Cash and cash equivalents at beginning of year		4,724	6,368
Cash and cash equivalents at end of period	1	15,719	2,933

NOTE

1. Cash and cash equivalents

Cash and cash equivalents comprise of :

	30 Sep 2015 RM'000	30 Sep 2014 RM'000
Cash and bank balances	15,719	26,883
Deposits with licensed banks	275	736
	15,994	27,619
Deposits pledged as security	(275)	(736)
Sinking fund account	-	(23,950)
	15,719	2,933

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**

	As at 30 Sep 2015 RM'000	Audited As at 31 Dec 2014 RM'000
Total accumulated losses of HWGB and its subsidiaries:		
- Realised	(104,458)	(92,029)
- Unrealised	1,102	490
	(103,356)	(91,539)
Total share of accumulated losses from associated companies:		
- Realised	-	-
- Unrealised	-	-
	(103,356)	(91,539)
Consolidation adjustments	-	-
Total group accumulated losses as per financial statements	(103,356)	(91,539)