

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Profit or Loss and**  
**Other Comprehensive Income for the financial year ended**  
**31 December 2015**

	Individual Quarter		Cumulative Quarters	
	2015 Oct - Dec RM'000	2014 Oct - Dec RM'000	2015 Jan - Dec RM'000	2014 Jan - Dec RM'000
<b>Continuing operations</b>				
<b>Revenue</b>				
- sales of goods	39,223	38,416	183,471	189,760
- rendering of services	2,189	648	5,212	657
- rental income	12	101	48	610
	<b>41,424</b>	<b>39,165</b>	<b>188,731</b>	<b>191,027</b>
<b>Cost of sales</b>				
- sales of goods	(44,037)	(41,333)	(193,200)	(189,550)
- rendering of services	(2,094)	(576)	(4,872)	(575)
- rental income	-	-	-	-
	(46,131)	(41,909)	(198,072)	(190,125)
<b>Gross profit/(loss)</b>	<b>(4,707)</b>	<b>(2,744)</b>	<b>(9,341)</b>	<b>902</b>
Other operating income	5,756	2,089	15,475	5,839
Distribution costs	(686)	(730)	(2,972)	(3,183)
Administrative expenses	(3,781)	(3,874)	(14,371)	(12,612)
Other operating expenses	(1,630)	(4,962)	(5,204)	(9,527)
<b>Operating profit/(loss)</b>	<b>(5,048)</b>	<b>(10,221)</b>	<b>(16,413)</b>	<b>(18,581)</b>
Finance costs	(1,412)	(1,121)	(3,834)	(4,592)
Share of results of associates	-	(74)	-	(74)
<b>Loss before taxation</b>	<b>(6,460)</b>	<b>(11,416)</b>	<b>(20,247)</b>	<b>(23,247)</b>
Income tax expense	67	(242)	51	(190)
<b>Net loss for the period/year</b>	<b>(6,393)</b>	<b>(11,658)</b>	<b>(20,196)</b>	<b>(23,437)</b>
<b>Other comprehensive Income/(Loss):</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurement of retirement benefits obligations	(27)	-	(27)	(52)
<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 year	-	(793)	-	(7)
- Recycled to profit and loss	-	-	60	-
Foreign currency translation differences	185	1,051	(1,824)	(379)
<b>Other comprehensive income/(loss) for the period/year, net of tax</b>	<b>158</b>	<b>258</b>	<b>(1,791)</b>	<b>(438)</b>
<b>Total comprehensive loss for the period/year</b>	<b>(6,235)</b>	<b>(11,400)</b>	<b>(21,987)</b>	<b>(23,875)</b>
<b>Loss attributable to:</b>				
Owners of the Company	(4,462)	(10,862)	(16,303)	(21,586)
Non controlling interests	(1,931)	(796)	(3,893)	(1,851)
	<b>(6,393)</b>	<b>(11,658)</b>	<b>(20,196)</b>	<b>(23,437)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(4,304)	(10,604)	(18,094)	(22,024)
Non controlling interests	(1,931)	(796)	(3,893)	(1,851)
	<b>(6,235)</b>	<b>(11,400)</b>	<b>(21,987)</b>	<b>(23,875)</b>
<b>Profit/(Loss) per share attributable to owners of the Company</b>				
- Basic (sen)	<b>(0.74)</b>	<b>(1.84)</b>	<b>(2.71)</b>	<b>(3.65)</b>
- 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 31 December 2015**

	Un-audited As at 31 Dec 2015 RM'000	Audited As at 31 Dec 2014 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	62,021	58,722
Exploration & evaluation assets	4,530	4,473
Intangible asset	28	78
Other financial assets	-	5,990
	<b>66,579</b>	<b>69,263</b>
<b>Current assets</b>		
Inventories	22,418	55,031
Trade receivables	11,756	8,809
Other receivables, deposits and prepayments	5,866	5,043
Tax recoverable	237	46
Fixed deposits	279	235
Cash and bank balances	3,956	11,612
	<b>44,512</b>	<b>80,776</b>
<b>TOTAL ASSETS</b>	<b>111,091</b>	<b>150,039</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the Company:		
Share capital	120,229	118,206
Reserves	26,036	27,873
Accumulated losses	(107,912)	(91,539)
	<b>38,353</b>	<b>54,540</b>
Non controlling interests	(12,692)	(9,245)
<b>TOTAL EQUITY</b>	<b>25,661</b>	<b>45,295</b>
<b>Non-current liabilities</b>		
Hire purchase and finance lease liabilities	23	63
Long term borrowings	25,110	27,592
Retirement benefits obligation	2,117	1,840
Deferred tax liabilities	2,076	2,076
	<b>29,326</b>	<b>31,571</b>
<b>Current liabilities</b>		
Trade payables	24,186	32,648
Other payables and accruals	24,366	20,660
Hire purchase and finance lease liabilities	14	52
Short term borrowings	7,538	19,813
Tax payable	-	-
	<b>56,104</b>	<b>73,173</b>
<b>TOTAL LIABILITIES</b>	<b>85,430</b>	<b>104,744</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>111,091</b>	<b>150,039</b>
<b>Net Assets per share (RM)</b>	<b>0.06</b>	<b>0.09</b>
<b>Net Tangible Assets per share (RM)</b>	<b>0.04</b>	<b>0.08</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

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the financial year ended 31 December 2015**

	-----> Attributable to Shareholders of the Company <-----											
	<-----> Non Distributable ----->										Non controlling interests RM'000	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		
<b>Current year's 12 months ended 31 December 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	-	-	-	-	(73)	-	-	-	73	-	-	-
Acquisition of additional shares in subsidiary	-	-	-	-	-	-	-	-	(116)	(116)	97	(19)
Disposal of shares in a subsidiary	-	-	-	-	-	-	-	-	-	-	349	349
	2,023	-	-	-	(73)	(10,684)	10,684	-	(43)	1,907	446	2,353
<b>Other comprehensive income/(loss) for the period</b>												
Recycled to profit or loss	-	-	-	60	-	-	-	-	-	60	-	60
Remeasurement of retirement benefits obligations	-	-	-	-	-	-	-	-	(27)	(27)	-	(27)
Foreign currency translation differences	-	-	-	-	-	-	-	(1,824)	-	(1,824)	-	(1,824)
	-	-	-	60	-	-	-	(1,824)	(27)	(1,791)	-	(1,791)
Loss for the year	-	-	-	-	-	-	-	-	(16,303)	(16,303)	(3,893)	(20,196)
Total comprehensive loss for the year	-	-	-	60	-	-	-	(1,824)	(16,330)	(18,094)	(3,893)	(21,987)
<b>At 31 December 2015</b>	<b>120,229</b>	<b>21,606</b>	<b>6,577</b>	<b>-</b>	<b>279</b>	<b>2,956</b>	<b>(2,956)</b>	<b>(2,426)</b>	<b>(107,912)</b>	<b>38,353</b>	<b>(12,692)</b>	<b>25,661</b>
<b>Preceding year's 12 months ended 31 December 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>Transactions with owners:</b>												
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	14	14
<b>Other comprehensive income/(loss) for the year:</b>												
Net gain on fair value changes of available for sale financial assets	-	-	-	(7)	-	-	-	-	-	(7)	-	(7)
Remeasurement of retirement benefits obligations	-	-	-	-	-	-	-	-	(52)	(52)	-	(52)
Foreign currency translation differences	-	-	-	-	-	-	-	(379)	-	(379)	-	(379)
	-	-	-	(7)	-	-	-	(379)	(52)	(438)	-	(438)
Loss for the year	-	-	-	-	-	-	-	-	(21,586)	(21,586)	(1,851)	(23,437)
Total comprehensive loss for the year	-	-	-	(7)	-	-	-	(379)	(21,638)	(22,024)	(1,851)	(23,875)
<b>At 31 December 2014</b>	<b>118,206</b>	<b>21,606</b>	<b>6,577</b>	<b>(60)</b>	<b>352</b>	<b>13,640</b>	<b>(13,640)</b>	<b>(602)</b>	<b>(91,539)</b>	<b>54,540</b>	<b>(9,245)</b>	<b>45,295</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 year ended 31 December 2015**

	<u>NOTE</u>	Unaudited 31 Dec 2015 RM'000	Audited 31 Dec 2014 RM'000
<b>Cash flows from/(used in) operating activities</b>			
Loss before taxation		(20,247)	(23,247)
Adjustments for:			
Amortisation of intangible asset		50	80
Bad debts written off		647	11
Depreciation		5,008	4,416
Deposit written off		-	115
Gross dividend income from available for sale financial assets in Malaysia		-	(3)
Gain on disposal of available for sale financial assets		(1,864)	(426)
Gain on disposal of shares in subsidiary		(4,509)	(43)
Gain on bargain purchase		-	(63)
Impairment loss on available for sale of financial assets		-	2,538
Impairment loss of goodwill		-	3,025
Interest expense		3,834	4,592
Interest income		(121)	(17)
Inventories written off		310	
Loss / (Gain) on disposal of property, plant and equipment		241	(59)
Loss on disposal of investment property		-	615
Loss on remeasurement of previously held equity interest in associate		-	92
Allowance for doubtful debts		43	1,212
Provision for retirement benefit obligations		1,200	331
Share of results of associates		-	74
Unrealised loss on foreign exchange		862	56
Unrealised gain on foreign exchange		(3,686)	(546)
<b>Operating loss before working capital changes</b>		<b>(18,232)</b>	<b>(7,247)</b>
Decrease/(Increase) in inventories		32,014	(6,999)
Decrease in trade and other receivables		4,197	12,271
(Decrease)/Increase in trade and other payables		(10,328)	9,563
<b>Cash flows from operations</b>		<b>7,651</b>	<b>7,588</b>
Income tax paid		(18)	-
Income tax refunded		132	2
Interest paid		(3,160)	(4,592)
Interest received		121	17
Retirement benefits paid		(1,184)	(124)
<b>Net cash from operating activities</b>		<b>3,542</b>	<b>2,891</b>
<b>Cash flows from/(used in) investing activities</b>			
Dividends received		-	3
Decrease/(Increase) in sinking funds account		8,660	(5,047)
(Increase)/Decrease in fixed deposits pledged		(44)	-
Acquisition of shares in subsidiaries		-	(1,249)
Payment for exploration and evaluation assets		(57)	(67)
Purchase of property, plant and equipment		(3,889)	(2,768)
Proceeds from disposal of property, plant and equipment		288	105
Proceeds from disposal of investment property		-	8,300
Proceeds from disposal of available for sale financial assets		7,916	4,573
Proceeds from disposal of shares in subsidiaries		745	-
<b>Net cash from/(used in) investing activities</b>		<b>13,619</b>	<b>3,850</b>
<b>Cash flows from/(used in) financing activities</b>			
Proceeds from conversion of Warrant 2010/2015 into ordinary shares		2,023	-
Proceeds from trade finance		17,066	141,318
Repayment of trade finance		(31,052)	(143,760)
Proceeds from term loan(s)		-	1,188
Repayment of term loan(s)		(6,608)	(5,454)
Repayment of hire purchase and finance lease liabilities		(81)	(65)
<b>Net cash used in financing activities</b>		<b>(18,652)</b>	<b>(6,773)</b>
Exchange differences		723	(1,612)
Net increase/(decrease) in cash and cash equivalents		(768)	(1,644)
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>3,956</b>	<b>4,724</b>

**NOTE**

**1. Cash and cash equivalents**

Cash and cash equivalents comprise of :

	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Cash and bank balances	3,956	11,612
Deposits with licensed banks	279	235
	4,235	11,847
Deposits pledged as security	(279)	(235)
Sinking fund account	-	(6,888)
	<b>3,956</b>	<b>4,724</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 31 Dec 2015 RM'000</b>	<b>Audited As at 31 Dec 2014 RM'000</b>
Total accumulated losses of HWGB and its subsidiaries:		
- Realised	(110,736)	(92,029)
- Unrealised	2,824	490
	<b>(107,912)</b>	<b>(91,539)</b>
Total share of accumulated losses from associated companies:		
- Realised	-	-
- Unrealised	-	-
	<b>(107,912)</b>	<b>(91,539)</b>
Consolidation adjustments	-	-
<b>Total group accumulated losses as per financial statements</b>	<b>(107,912)</b>	<b>(91,539)</b>