

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income for the financial year ended
31 December 2016

	Individual Quarter		Cumulative Quarters	
	2016 Oct - Dec RM'000	2015 Oct - Dec RM'000	2016 Jan - Dec RM'000	2015 Jan - Dec RM'000
Continuing operations				
Revenue				
- sales of goods	32,416	39,223	140,530	183,471
- rendering of services	1,407	2,189	7,438	5,212
- rental income	33	12	132	48
	<u>33,856</u>	<u>41,424</u>	<u>148,100</u>	<u>188,731</u>
Cost of sales				
- sales of goods	(29,970)	(44,037)	(136,322)	(193,200)
- rendering of services	(1,314)	(2,094)	(6,892)	(4,872)
- rental income	-	-	-	-
	<u>(31,284)</u>	<u>(46,131)</u>	<u>(143,214)</u>	<u>(198,072)</u>
Gross profit/(loss)	<u>2,572</u>	<u>(4,707)</u>	<u>4,886</u>	<u>(9,341)</u>
Other operating income	1,781	5,756	5,737	15,458
Distribution costs	(447)	(686)	(2,154)	(2,972)
Administrative expenses	(5,423)	(3,781)	(12,420)	(14,371)
Other operating expenses	(9,319)	(1,630)	(12,486)	(5,204)
Operating loss	<u>(10,836)</u>	<u>(5,048)</u>	<u>(16,437)</u>	<u>(16,430)</u>
Finance costs	(641)	(1,412)	(2,741)	(3,834)
Loss before taxation	<u>(11,477)</u>	<u>(6,460)</u>	<u>(19,178)</u>	<u>(20,264)</u>
Income tax expense	(78)	67	(78)	119
Net loss for the period/year	<u>(11,555)</u>	<u>(6,393)</u>	<u>(19,256)</u>	<u>(20,145)</u>
Other comprehensive Income/(Loss):				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of retirement benefits obligations	(233)	(27)	(233)	(36)
Gain on revaluation of buildings, net of tax effect	3,453	-	3,453	-
Items that may be reclassified subsequently to profit or loss				
Gain/(Loss) on fair value changes on available for sale financial assets				60
- Recycled to profit and loss	-	-	-	60
Foreign currency translation differences	270	185	1,740	(1,755)
Other comprehensive income/(loss) for the period/year, net of tax	<u>3,490</u>	<u>158</u>	<u>4,960</u>	<u>(1,731)</u>
Total comprehensive loss for the period/year	<u>(8,065)</u>	<u>(6,235)</u>	<u>(14,296)</u>	<u>(21,876)</u>
Loss attributable to:				
Owners of the Company	(6,957)	(4,462)	(13,468)	(16,252)
Non controlling interests	(4,598)	(1,931)	(5,788)	(3,893)
	<u>(11,555)</u>	<u>(6,393)</u>	<u>(19,256)</u>	<u>(20,145)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(3,467)	(4,304)	(8,508)	(17,983)
Non controlling interests	(4,598)	(1,931)	(5,788)	(3,893)
	<u>(8,065)</u>	<u>(6,235)</u>	<u>(14,296)</u>	<u>(21,876)</u>
Loss per share attributable to owners of the Company				
- Basic (sen)	(0.81)	(0.74)	(1.57)	(2.72)
- 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 2015

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Financial Position
As at 31 December 2016

	Un-audited As at 31 Dec 2016 RM'000	Audited As at 31 Dec 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	59,228	66,552
Intangible asset	19	27
	59,247	66,579
Current assets		
Inventories	20,758	22,418
Trade receivables	13,216	11,756
Other receivables, deposits and prepayments	3,829	6,044
Tax recoverable	62	60
Fixed deposits	170	278
Cash and bank balances	7,660	3,956
	45,695	44,512
TOTAL ASSETS	104,942	111,091
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	49,902	120,229
Reserves	41,924	26,105
Accumulated losses	(31,267)	(107,870)
	60,559	38,464
Non controlling interests	(17,842)	(12,692)
TOTAL EQUITY	42,717	25,772
Non-current liabilities		
Hire purchase and finance lease liabilities	257	22
Long term borrowings	18,627	25,326
Retirement benefits obligation	2,760	2,117
Deferred tax liabilities	3,133	1,965
	24,777	29,430
Current liabilities		
Trade payables	8,931	24,186
Other payables and accruals	20,739	24,366
Hire purchase and finance lease liabilities	52	15
Short term borrowings	7,726	7,322
	37,448	55,889
TOTAL LIABILITIES	62,225	85,319
TOTAL EQUITY AND LIABILITIES	104,942	111,091
Net Assets per share (RM)	0.04	0.04
Net Tangible Assets per share (RM)	0.04	0.04

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2016

	----- 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		
Current 12 months year ended 31 December 2016												
At 1 January 2016	120,229	21,606	6,577	-	279	2,956	(2,956)	(2,357)	(107,870)	38,464	(12,692)	25,772
Transactions with owners:												
Capital reduction	(90,172)	-	-	-	-	-	-	-	90,172	-	-	-
Issuance of shares pursuant to Rights Issue with Warrants	15,308	1,837	-	-	-	-	-	-	-	17,145	-	17,145
Issuance of Warrants 2016/2021	-	-	-	-	-	7,348	-	-	-	7,348	-	7,348
Expenses related to Corporate Exercise	-	(800)	-	-	-	-	-	-	-	(800)	-	(800)
Termination of employee share options 2010/2020	-	-	-	-	(279)	-	-	-	279	-	-	-
Fair value of Employee Share Options ("ESOS") 2016/2026 granted	-	-	-	-	2,097	-	-	-	-	2,097	-	2,097
Issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	6	6	484	490
Expiry and lapse of Warrants 2011/2016	-	-	-	-	-	(2,956)	2,956	-	-	-	-	-
Acquisition of additional shares in a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	(184)	(184)	154	(30)
ESOS 2016/2026 lapsed due to resignation of employees	-	-	-	-	(31)	-	-	-	31	-	-	-
Issuance of shares pursuant to Private Placement	4,537	454	-	-	-	-	-	-	-	4,991	-	4,991
	(70,327)	1,491	-	-	1,787	4,392	2,956	-	90,304	30,603	638	31,241
Gain on revaluation of buildings	-	-	3,453	-	-	-	-	-	-	3,453	-	3,453
Remeasurement of retirement benefits obligations	-	-	-	-	-	-	-	-	(233)	(233)	-	(233)
Foreign currency translation differences	-	-	-	-	-	-	-	1,740	-	1,740	-	1,740
Other comprehensive income/(loss) for the year	-	-	3,453	-	-	-	-	1,740	(233)	4,960	-	4,960
Loss for the year	-	-	-	-	-	-	-	-	(13,468)	(13,468)	(5,788)	(19,256)
Total comprehensive income/(loss) for the year	-	-	3,453	-	-	-	-	1,740	(13,701)	(8,508)	(5,788)	(14,296)
At 31 December 2016	49,902	23,097	10,030	-	2,066	7,348	-	(617)	(31,267)	60,559	(17,842)	42,717
Preceding year's 12 months year ended 31 December 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	-	-	-	-	-
Share options lapsed	-	-	-	-	(73)	-	-	-	73	-	-	-
Share issued pursuant to private placement	-	-	-	-	-	-	-	-	-	-	-	-
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
Other comprehensive income/(loss) for the year:												
Recycled to profit or loss	-	-	-	60	-	-	-	-	-	60	-	60
Remeasurement of net retirement benefit obligations	-	-	-	-	-	-	-	-	(36)	(36)	-	(36)
Foreign currency translation differences	-	-	-	-	-	-	-	(1,755)	-	(1,755)	-	(1,755)
Loss for the year	-	-	-	60	-	-	-	(1,755)	(36)	(1,731)	-	(1,731)
Total comprehensive loss for the year	-	-	-	60	-	-	-	(1,755)	(16,252)	(16,252)	(3,893)	(20,145)
	-	-	-	60	-	-	-	(1,755)	(16,288)	(17,983)	(3,893)	(21,876)
At 31 December 2015	120,229	21,606	6,577	-	279	2,956	(2,956)	(2,357)	(107,870)	38,464	(12,692)	25,772

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statements of Cash Flows
for the financial year ended 31 December 2016

	<u>NOTE</u>	Unaudited 31 Dec 2016 RM'000	Audited 31 Dec 2015 RM'000
Cash flows from/(used in) operating activities			
Loss before taxation		(19,178)	(20,264)
Adjustments for:			
Amortisation of intangible asset		8	51
Bad debts written off		-	647
Depreciation		3,852	5,009
Gain on disposal of available-for-sale financial assets		-	(1,864)
Gain on disposal of shares in subsidiary		-	(4,509)
Impairment loss of property, plant and equipment		9,534	-
Interest expense		2,741	3,834
Interest income		(29)	(121)
Inventories written off		-	310
Gain on disposal of property, plant and equipment		(428)	(82)
Allowance for doubtful debts		5	43
Allowance for doubtful debts no longer required		(248)	-
Provision for retirement benefit obligations		1,166	1,200
Property, plant and equipment written off		-	325
Fair value of ESOS granted		2,097	-
Unrealised loss on foreign exchange		131	862
Unrealised gain on foreign exchange		(2,533)	(3,686)
Operating loss before working capital changes		(2,882)	(18,245)
Decrease in inventories		2,441	38,336
Decrease in trade and other receivables		1,780	649
Decrease in trade and other payables		(18,026)	(6,174)
Cash flows (used in)/from operations		(16,687)	14,566
Interest paid		(2,390)	(3,159)
Interest received		29	121
Retirement benefits paid		(957)	(1,184)
Net cash (used in)/from operating activities		(20,005)	10,344
Cash flows from/(used in) investing activities			
Decrease/(Increase) in fixed deposits pledged		109	(43)
Acquisition of shares in subsidiaries		-	(19)
Payment for exploration and evaluation assets		-	(57)
Purchase of property, plant and equipment		(527)	(4,061)
Proceeds from disposal of property, plant and equipment		485	286
Proceeds from disposal of available for sale financial assets		-	7,914
Proceeds from disposal of shares in subsidiaries		-	139
Net cash from investing activities		67	4,159
Cash flows from/(used in) financing activities			
Proceeds from rights issue of ordinary shares		24,493	-
Proceeds from shares issued pursuant to private placement		4,991	-
Proceeds from conversion of Warrant 2010/2015 into ordinary shares		-	2,023
Proceeds from issuance of shares by a subsidiary to non-controlling interest		490	-
Payment of corporate exercise expenses		(800)	-
Proceeds from trade finance		-	17,084
Repayment of trade finance		-	(23,791)
Proceeds from term loan(s)		-	38
Repayment of term loan(s)		(6,965)	(7,036)
Proceeds from hire purchase and finance lease liabilities		320	-
Repayment of hire purchase and finance lease liabilities		(47)	(78)
Net cash from/(used in) financing activities		22,482	(11,760)
Exchange differences		1,160	(3,511)
Net increase/(decrease) in cash and cash equivalents		3,704	(768)
Cash and cash equivalents at beginning of year		3,956	4,724
Cash and cash equivalents at end of year	1	7,660	3,956

NOTE

1. Cash and cash equivalents

Cash and cash equivalents comprise of :

	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Cash and bank balances	7,660	3,956
Deposits with licensed banks	170	278
	7,830	4,234
Deposits pledged as security	(170)	(278)
	7,660	3,956

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2015.

HO WAH GENTING BERHAD (272923-H)**DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES**

	Un-audited As at 31 Dec 2016 RM'000	Audited As at 31 Dec 2015 RM'000
Total accumulated losses of HWGB and its subsidiaries:		
- Realised	(33,669)	(110,694)
- Unrealised	2,402	2,824
	(31,267)	(107,870)
Consolidation adjustments	-	-
Accumulated losses as per financial statements	(31,267)	(107,870)