

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Profit or Loss and**  
**Other Comprehensive Income for the financial period ended**  
**30 June 2017**

	Individual Quarter		Cumulative Quarters	
	2017 Apr - Jun RM'000	2016 Apr - Jun RM'000	2017 Jan - Jun RM'000	2016 Jan - Jun RM'000
<b>Continuing operations</b>				
<b>Revenue</b>				
- sales of goods	37,165	38,167	70,161	69,668
- rendering of services	880	1,000	1,776	1,774
- rental income	33	33	66	66
	<b>38,078</b>	<b>39,200</b>	<b>72,003</b>	<b>71,508</b>
<b>Cost of sales</b>				
- sales of goods	(34,443)	(38,063)	(65,706)	(71,755)
- rendering of services	(845)	(904)	(1,659)	(1,614)
- rental income	-	-	-	-
	(35,288)	(38,967)	(67,365)	(73,369)
<b>Gross profit/(loss)</b>	<b>2,790</b>	<b>233</b>	<b>4,638</b>	<b>(1,861)</b>
Other operating income	915	428	1,630	2,970
Distribution costs	(568)	(545)	(1,317)	(1,099)
Administrative expenses	(2,299)	(2,602)	(4,619)	(5,107)
Other operating expenses	(1,338)	(22)	(2,134)	(2,686)
<b>Operating loss</b>	<b>(500)</b>	<b>(2,508)</b>	<b>(1,802)</b>	<b>(7,783)</b>
Finance costs	(482)	(700)	(1,012)	(1,516)
<b>Loss before taxation</b>	<b>(982)</b>	<b>(3,208)</b>	<b>(2,814)</b>	<b>(9,299)</b>
Income tax expense	-	-	-	-
<b>Net loss for the period</b>	<b>(982)</b>	<b>(3,208)</b>	<b>(2,814)</b>	<b>(9,299)</b>
<b>Other comprehensive Income/(Loss):</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences	(227)	(14)	(317)	1,416
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>(227)</b>	<b>(14)</b>	<b>(317)</b>	<b>1,416</b>
<b>Total comprehensive loss for the period</b>	<b>(1,209)</b>	<b>(3,222)</b>	<b>(3,131)</b>	<b>(7,883)</b>
<b>Loss attributable to:</b>				
Owners of the Company	(849)	(2,684)	(2,510)	(8,186)
Non controlling interests	(133)	(524)	(304)	(1,113)
	<b>(982)</b>	<b>(3,208)</b>	<b>(2,814)</b>	<b>(9,299)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(1,076)	(2,698)	(2,827)	(6,770)
Non controlling interests	(133)	(524)	(304)	(1,113)
	<b>(1,209)</b>	<b>(3,222)</b>	<b>(3,131)</b>	<b>(7,883)</b>
<b>Loss per share attributable to owners of the Company</b>				
- Basic (sen)	<b>(0.09)</b>	<b>(0.34)</b>	<b>(0.25)</b>	<b>(1.04)</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 2016

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2017**

	<b>Unaudited As at 30 Jun 2017 RM'000</b>	<b>Audited As at 31 Dec 2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	57,205	59,228
Intangible asset	15	19
	<b>57,220</b>	<b>59,247</b>
<b>Current assets</b>		
Inventories	20,516	20,757
Trade receivables	11,446	13,266
Other receivables, deposits and prepayments	3,626	3,798
Tax recoverable	60	62
Fixed deposits	176	170
Cash and bank balances	1,293	7,653
	<b>37,117</b>	<b>45,706</b>
<b>TOTAL ASSETS</b>	<b>94,337</b>	<b>104,953</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the Company:		
Share capital	49,913	49,902
Reserves	41,835	42,275
Accumulated losses	(33,802)	(31,415)
	<b>57,946</b>	<b>60,762</b>
Non controlling interests	(18,169)	(17,865)
<b>TOTAL EQUITY</b>	<b>39,777</b>	<b>42,897</b>
<b>Non-current liabilities</b>		
Hire purchase and finance lease liabilities	230	255
Long term borrowings	14,427	18,700
Retirement benefits obligation	2,677	2,759
Deferred tax liabilities	2,953	2,953
	<b>20,287</b>	<b>24,667</b>
<b>Current liabilities</b>		
Trade payables	9,964	8,933
Other payables and accruals	16,920	20,747
Hire purchase and finance lease liabilities	53	55
Short term borrowings	7,336	7,654
	<b>34,273</b>	<b>37,389</b>
<b>TOTAL LIABILITIES</b>	<b>54,560</b>	<b>62,056</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>94,337</b>	<b>104,953</b>
<b>Net Assets per share (RM)</b>	<b>0.04</b>	<b>0.04</b>
<b>Net Tangible Assets per share (RM)</b>	<b>0.04</b>	<b>0.04</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the financial period ended 30 June 2017**

----- Attributable to Shareholders of the Company -----											
----- Non Distributable -----											
	Share capital RM'000	Share premium RM'000	Revaluation 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	Total equity RM'000
<b>Current 6 months period ended 30 June 2017</b>											
At 1 January 2017	49,902	23,098	10,019	2,066	7,348	-	(256)	(31,415)	60,762	(17,865)	42,897
<b>Transaction with owners:</b>											
Employee Share Option ("ESOS") exercised	11	-	-	(10)	-	-	-	10	11	-	11
ESOS lapsed	-	-	-	(113)	-	-	-	113	-	-	-
	11	-	-	(123)	-	-	-	123	11	-	11
<b>Other comprehensive income/(loss) for the period</b>											
Foreign currency translation differences	-	-	-	-	-	-	(317)	-	(317)	-	(317)
	-	-	-	-	-	-	(317)	-	(317)	-	(317)
Loss for the period	-	-	-	-	-	-	-	(2,510)	(2,510)	(304)	(2,814)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(317)	(2,510)	(2,827)	(304)	(3,131)
<b>At 30 June 2017</b>	<b>49,913</b>	<b>23,098</b>	<b>10,019</b>	<b>1,943</b>	<b>7,348</b>	<b>-</b>	<b>(573)</b>	<b>(33,802)</b>	<b>57,946</b>	<b>(18,169)</b>	<b>39,777</b>
<b>Preceding year's 6 months period ended 30 June 2016</b>											
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
<b>Transactions with owners:</b>											
Capital reduction	(90,172)	-	-	-	-	-	-	90,172	-	-	-
Issuance of shares pursuant to Rights Issue with Warrants	15,308	9,186	-	-	-	-	-	-	24,494	-	24,494
Issuance of Warrants 2016/2021	-	-	-	-	11,781	(11,781)	-	-	-	-	-
Expenses related to Corporate Exercise	-	(800)	-	-	-	-	-	-	(800)	-	(800)
Termination of employee share options	-	-	-	(279)	-	-	-	279	-	-	-
Offer and acceptance of employee share options 2016/2026	-	-	-	160	-	-	-	-	160	-	160
Issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	-	490	490
	(74,864)	8,386	-	(119)	11,781	(11,781)	-	90,451	23,854	490	24,344
<b>Other comprehensive income/(loss) for the period</b>											
Foreign currency translation differences	-	-	-	-	-	-	1,416	-	1,416	-	1,416
	-	-	-	-	-	-	1,416	-	1,416	-	1,416
Loss for the period	-	-	-	-	-	-	-	(8,186)	(8,186)	(1,113)	(9,299)
Total comprehensive loss for the period	-	-	-	-	-	-	1,416	(8,186)	(6,770)	(1,113)	(7,883)
<b>At 30 June 2016</b>	<b>45,365</b>	<b>29,992</b>	<b>6,577</b>	<b>160</b>	<b>14,737</b>	<b>(14,737)</b>	<b>(941)</b>	<b>(25,605)</b>	<b>55,548</b>	<b>(13,315)</b>	<b>42,233</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 2016

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statements of Cash Flows**  
**for the financial period ended 30 June 2017**

	<u>NOTE</u>	Unaudited 30 Jun 2017 RM'000	Unaudited 30 Jun 2016 RM'000
<b>Cash flows from/(used in) operating activities</b>			
Loss before taxation		(2,814)	(9,299)
Adjustments for:			
Amortisation of intangible asset	5	4	4
Depreciation	5	2,228	1,976
Interest expense	5	1,012	1,516
Interest income	5	(10)	(25)
Gain on disposal of plant and equipment	5	(113)	(402)
Allowance for doubtful debts	5	-	5
Provision for retirement benefit obligations		264	148
Plant and equipment written off		194	-
Fair value of ESOS granted		-	160
Unrealised loss on foreign exchange	5	1,162	1,711
Unrealised gain on foreign exchange	5	(373)	(1,221)
<b>Operating profit/(loss) before working capital changes</b>		<b>1,554</b>	<b>(5,427)</b>
Increase in inventories		(649)	(2,725)
Decrease/(Increase) in trade and other receivables		1,325	(1,228)
Decrease in trade and other payables		(2,105)	(11,412)
<b>Cash flows from/(used in) operations</b>		<b>125</b>	<b>(20,792)</b>
Interest paid		(1,012)	(1,253)
Interest received		10	25
Retirement benefits paid		(219)	(910)
<b>Net cash used in operating activities</b>		<b>(1,096)</b>	<b>(22,930)</b>
<b>Cash flows from/(used in) investing activities</b>			
Increase in fixed deposits pledged		(6)	(9)
Purchase of plant and equipment		(1,555)	(448)
Proceeds from disposal of plant and equipment		113	452
<b>Net cash used in investing activities</b>		<b>(1,448)</b>	<b>(5)</b>
<b>Cash flows from/(used in) financing activities</b>			
Proceeds from rights issue of ordinary shares		-	24,494
Proceeds from exercise of employees share options		11	-
Proceeds from issuance of shares by subsidiary to non-controlling interest		-	490
Payment of corporate exercise expenses		-	(800)
Repayment of term loan(s)		(3,742)	(3,477)
Proceeds from hire purchase and finance lease liabilities		-	320
Repayment of hire purchase and finance lease liabilities		(27)	(20)
<b>Net cash (used in)/from financing activities</b>		<b>(3,758)</b>	<b>21,007</b>
Exchange differences		(58)	845
Net decrease in cash and cash equivalents		(6,360)	(1,083)
Cash and cash equivalents at beginning of period		7,653	3,956
<b>Cash and cash equivalents at end of period</b>		<b>1,293</b>	<b>2,873</b>
<b>Cash and cash equivalents at end of period comprises:</b>			
Cash and bank balances		1,293	2,873
Deposits with licensed banks		176	287
		1,469	3,160
Deposits pledged as security		(176)	(287)
		<b>1,293</b>	<b>2,873</b>
		-	-

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2016

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

	<b>Unaudited As at 30 Jun 2017 RM'000</b>	<b>Audited As at 31 Dec 2016 RM'000</b>
Total accumulated losses of HWGB and its subsidiaries:		
- Realised	(33,013)	(33,817)
- Unrealised	(789)	2,402
	<b>(33,802)</b>	<b>(31,415)</b>
Consolidation adjustments	-	-
<b>Accumulated losses as per financial statements</b>	<b>(33,802)</b>	<b>(31,415)</b>