

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

	Individual Quarter		Cumulative Quarters	
	2017 Jul - Sep RM'000	2016 Jul - Sep RM'000	2017 Jan - Sep RM'000	2016 Jan - Sep RM'000
Continuing operations				
Revenue				
- sales of goods	41,595	38,446	111,756	108,114
- rendering of services	1,225	4,257	3,001	6,031
- rental income	33	33	99	99
	42,853	42,736	114,856	114,244
Cost of sales				
- sales of goods	(38,033)	(34,597)	(103,739)	(106,352)
- rendering of services	(1,135)	(3,964)	(2,794)	(5,578)
- rental income	-	-	-	-
	(39,168)	(38,561)	(106,533)	(111,930)
Gross profit	3,685	4,175	8,323	2,314
Other operating income	1,202	986	2,832	3,956
Distribution costs	(694)	(608)	(2,011)	(1,707)
Administrative expenses	(2,870)	(1,890)	(7,489)	(6,997)
Other operating expenses	(1,468)	(481)	(3,602)	(3,167)
Operating (loss) / profit	(145)	2,182	(1,947)	(5,601)
Finance costs	(438)	(584)	(1,450)	(2,100)
(Loss) / profit before taxation	(583)	1,598	(3,397)	(7,701)
Income tax expense	-	-	-	-
Net (loss) / profit for the period	(583)	1,598	(3,397)	(7,701)
Other comprehensive Income/(Loss):				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	(196)	54	(513)	1,470
Other comprehensive income/(loss) for the period, net of tax	(196)	54	(513)	1,470
Total comprehensive (loss)/profit for the period	(779)	1,652	(3,910)	(6,231)
(Loss) / profit attributable to:				
Owners of the Company	(421)	1,675	(2,931)	(6,511)
Non controlling interests	(162)	(77)	(466)	(1,190)
	(583)	1,598	(3,397)	(7,701)
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	(617)	1,729	(3,444)	(5,041)
Non controlling interests	(162)	(77)	(466)	(1,190)
	(779)	1,652	(3,910)	(6,231)
Profit/(Loss) per share attributable to owners of the Company				
- Basic (sen)	(0.04)	0.20	(0.29)	(0.78)
- Diluted (sen)	N/A	0.19	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 September 2017

	Unaudited As at 30 Sep 2017 RM'000	Audited As at 31 Dec 2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	56,041	59,228
Intangible asset	13	19
	56,054	59,247
Current assets		
Inventories	23,707	20,757
Trade receivables	14,186	13,266
Other receivables, deposits and prepayments	5,490	3,798
Tax recoverable	59	62
Fixed deposits	150	170
Cash and bank balances	3,575	7,653
	47,167	45,706
TOTAL ASSETS	103,221	104,953
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	49,913	49,902
Reserves	41,618	42,275
Accumulated losses	(34,202)	(31,415)
	57,329	60,762
Non controlling interests	(18,331)	(17,865)
TOTAL EQUITY	38,998	42,897
Non-current liabilities		
Hire purchase and finance lease liabilities	220	255
Long term borrowings	14,095	18,700
Retirement benefits obligation	2,735	2,759
Deferred tax liabilities	2,953	2,953
	20,003	24,667
Current liabilities		
Trade payables	13,616	8,933
Other payables and accruals	23,384	20,747
Hire purchase and finance lease liabilities	49	55
Short term borrowings	7,171	7,654
	44,220	37,389
TOTAL LIABILITIES	64,223	62,056
TOTAL EQUITY AND LIABILITIES	103,221	104,953
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 2016

HO WAH GENTING BERHAD (272923-H)
Condensed Consolidated Statement of Changes in Equity
for the financial period ended 30 September 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
Current year's 9 months period ended 30 September 2017											
At 1 January 2017	49,902	23,098	10,019	2,066	7,348	-	(256)	(31,415)	60,762	(17,865)	42,897
Transaction with owners:											
Employee Share Option ("ESOS") exercised	11	-	-	(10)	-	-	-	10	11	-	11
ESOS lapsed	-	-	-	(134)	-	-	-	134	-	-	-
	11	-	-	(144)	-	-	-	144	11	-	11
Other comprehensive income/(loss) for the period											
Foreign currency translation differences	-	-	-	-	-	-	(513)	-	(513)	-	(513)
	-	-	-	-	-	-	(513)	-	(513)	-	(513)
Loss for the period	-	-	-	-	-	-	-	(2,931)	(2,931)	(466)	(3,397)
Total comprehensive loss for the period	-	-	-	-	-	-	(513)	(2,931)	(3,444)	(466)	(3,910)
At 30 September 2017	49,913	23,098	10,019	1,922	7,348	-	(769)	(34,202)	57,329	(18,331)	38,998
Preceding year's 9 months period ended 30 September 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	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)	-	(279)
Offer and acceptance of employee share options 2016/2026	-	-	-	160	-	-	-	-	160	-	160
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)
Employee share options 2016/2026 lapsed due to resignation of employees	-	-	-	(2)	-	-	-	-	(2)	-	(2)
	(74,864)	8,386	-	(121)	8,825	(8,825)	-	89,994	23,395	638	24,033
Other comprehensive income/(loss) for the period											
Foreign currency translation differences	-	-	-	-	-	-	1,470	-	1,470	-	1,470
	-	-	-	-	-	-	1,470	-	1,470	-	1,470
Loss for the period	-	-	-	-	-	-	-	(6,511)	(6,511)	(1,190)	(7,701)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	1,470	(6,511)	(5,041)	(1,190)	(6,231)
At 30 September 2016	45,365	29,992	6,577	158	11,781	(11,781)	(887)	(24,387)	56,818	(13,244)	43,574

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 September 2017

	<u>NOTE</u>	Unaudited 30 Sep 2017 RM'000	Unaudited 30 Sep 2016 RM'000
Cash flows from / (used in) operating activities			
Loss before taxation		(3,397)	(7,701)
Adjustments for:			
Amortisation of intangible asset	Part B 6	6	6
Bad debts written off		196	-
Depreciation	Part B 6	3,460	2,876
Interest expense	Part B 6	1,450	2,100
Interest income	Part B 6	(11)	(27)
Gain on disposal of plant and equipment	Part B 6	(112)	(400)
Allowance for doubtful debts	Part B 6	-	5
Provision for retirement benefit obligations		393	221
Plant and equipment written off		192	-
Fair value of ESOS granted		-	(121)
Unrealised loss on foreign exchange	Part B 6	1,908	1,017
Unrealised gain on foreign exchange	Part B 6	(618)	(1,840)
Operating profit/(loss) before working capital changes		3,467	(3,864)
(Increase)/Decrease in inventories		(4,291)	1,408
(Increase)/Decrease in trade and other receivables		(3,892)	3,903
Increase/(Decrease) in trade and other payables		8,314	(20,915)
Cash flows from / (used in) operations		3,598	(19,468)
Interest paid		(1,450)	(1,827)
Interest received		11	27
Retirement benefits paid		(238)	(913)
Net cash from / (used in) operating activities		1,921	(22,181)
Cash flows from / (used in) investing activities			
Decrease in fixed deposits pledged		26	109
Purchase of plant and equipment		(2,048)	(500)
Proceeds from disposal of plant and equipment		112	450
Net cash (used in) / from investing activities		(1,910)	59
Cash flows from / (used in) financing activities			
Proceeds from rights issue of ordinary shares		-	24,494
Proceeds from exercise of ESOS		11	-
Proceeds from issuance of shares by subsidiary to non-controlling interest		-	490
Payment of corporate exercise expenses		-	(800)
Proceeds from term loan(s)		1,600	-
Repayment of term loan(s)		(5,571)	(5,114)
Proceeds from hire purchase and finance lease liabilities		-	320
Repayment of hire purchase and finance lease liabilities		(41)	(29)
Net cash (used in) / from financing activities		(4,001)	19,361
Exchange differences		(88)	720
Net decrease in cash and cash equivalents		(4,078)	(2,041)
Cash and cash equivalents at beginning of period		7,653	3,956
Cash and cash equivalents at end of period		3,575	1,915
Cash and cash equivalents at end of period comprises:			
Cash and bank balances		3,575	1,915
Deposits with licensed banks		150	170
		3,725	2,085
Deposits pledged as security		(150)	(170)
		3,575	1,915

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)**

	Unaudited As at 30 Sep 2017 RM'000	Audited As at 31 Dec 2016 RM'000
Total accumulated losses of HWGB and its subsidiaries:		
- Realised	(32,912)	(33,817)
- Unrealised	(1,290)	2,402
	(34,202)	(31,415)
Consolidation adjustments	-	-
Accumulated losses as per financial statements	(34,202)	(31,415)