

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Profit and Loss and**  
**Other Comprehensive Income for the financial year ended**  
**31 December 2017**

	Individual Quarter		Cumulative Quarters	
	2017 Oct - Dec RM'000	2016 Oct - Dec RM'000	2017 Jan - Dec RM'000	2016 Jan - Dec RM'000
<b>Continuing operations</b>				
<b>Revenue</b>				
- sales of goods	40,481	32,417	152,237	140,531
- rendering of services	1,180	1,407	4,181	7,438
- rental income	48	33	147	132
	<b>41,709</b>	<b>33,857</b>	<b>156,565</b>	<b>148,101</b>
<b>Cost of sales</b>				
- sales of goods	(38,690)	(30,488)	(142,429)	(136,840)
- rendering of services	(1,108)	(1,314)	(3,902)	(6,892)
- rental income	-	-	-	-
	(39,798)	(31,802)	(146,331)	(143,732)
<b>Gross profit</b>	<b>1,911</b>	<b>2,055</b>	<b>10,234</b>	<b>4,369</b>
Other operating income	1,224	1,477	4,056	5,433
Distribution costs	(889)	(448)	(2,900)	(2,155)
Administrative expenses	(3,363)	(6,345)	(10,852)	(13,342)
Other operating expenses	(17,696)	(7,936)	(21,298)	(11,103)
<b>Loss from operations</b>	<b>(18,813)</b>	<b>(11,197)</b>	<b>(20,760)</b>	<b>(16,798)</b>
Finance costs	(617)	(641)	(2,067)	(2,741)
Share of losses of associate	(116)	-	(116)	-
<b>Loss before taxation</b>	<b>(19,546)</b>	<b>(11,838)</b>	<b>(22,943)</b>	<b>(19,539)</b>
Income tax expense	3,128	111	3,128	111
<b>Net loss for the period/year</b>	<b>(16,418)</b>	<b>(11,727)</b>	<b>(19,815)</b>	<b>(19,428)</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	(212)	(232)	(212)	(232)
Gain on revaluation of buildings, net of tax effect	-	3,442	-	3,442
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences	281	631	(232)	2,101
<b>Other comprehensive income/(loss) for the period/year, net of tax</b>	<b>69</b>	<b>3,841</b>	<b>(444)</b>	<b>5,311</b>
<b>Total comprehensive loss for the period/year</b>	<b>(16,349)</b>	<b>(7,886)</b>	<b>(20,259)</b>	<b>(14,117)</b>
<b>Loss attributable to:</b>				
Owners of the Company	(7,968)	(7,106)	(10,899)	(13,617)
Non controlling interests	(8,450)	(4,621)	(8,916)	(5,811)
	<b>(16,418)</b>	<b>(11,727)</b>	<b>(19,815)</b>	<b>(19,428)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(7,899)	(3,265)	(11,343)	(8,306)
Non controlling interests	(8,450)	(4,621)	(8,916)	(5,811)
	<b>(16,349)</b>	<b>(7,886)</b>	<b>(20,259)</b>	<b>(14,117)</b>
<b>Loss per share attributable to owners of the Company</b>				
- Basic (sen)	<b>(0.80)</b>	<b>(0.77)</b>	<b>(1.09)</b>	<b>(1.47)</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 31 December 2017**

	<b>Unaudited As at 31 Dec 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	39,144	59,228
Intangible asset	11	19
Investment in associate	864	-
	<b>40,019</b>	<b>59,247</b>
<b>Current assets</b>		
Inventories	20,784	20,757
Trade receivables	15,797	13,266
Other receivables, deposits and prepayments	1,112	3,798
Tax recoverable	56	62
Fixed deposits	150	170
Cash and bank balances	3,834	7,653
	<b>41,733</b>	<b>45,706</b>
<b>TOTAL ASSETS</b>	<b>81,752</b>	<b>104,953</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the Company:		
Share capital	49,913	49,902
Reserves	41,879	42,275
Accumulated losses	(42,364)	(31,415)
	<b>49,428</b>	<b>60,762</b>
Non controlling interests	(26,779)	(17,865)
<b>TOTAL EQUITY</b>	<b>22,649</b>	<b>42,897</b>
<b>Non-current liabilities</b>		
Hire purchase and finance lease liabilities	210	255
Long term borrowings	11,965	18,700
Retirement benefits obligation	3,089	2,759
Deferred tax liabilities	285	2,953
	<b>15,549</b>	<b>24,667</b>
<b>Current liabilities</b>		
Trade payables	11,451	8,933
Other payables and accruals	25,128	20,747
Hire purchase and finance lease liabilities	45	55
Short term borrowings	6,930	7,654
	<b>43,554</b>	<b>37,389</b>
<b>TOTAL LIABILITIES</b>	<b>59,103</b>	<b>62,056</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>81,752</b>	<b>104,953</b>
<b>Net Assets per share (RM)</b>	<b>0.02</b>	<b>0.04</b>
<b>Net Tangible Assets per share (RM)</b>	<b>0.02</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 31 December 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 year's 12 months period ended 31 December 2017 (Unaudited)</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	-	-	-	(154)	-	-	-	154	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(2)	(2)	2	-
	11	-	-	(164)	-	-	-	162	9	2	11
<b>Other comprehensive income/(loss) for the year</b>											
Remeasurement of retirement benefits obligations	-	-	-	-	-	-	-	(212)	(212)	-	(212)
Foreign currency translation differences	-	-	-	-	-	-	(232)	-	(232)	-	(232)
	-	-	-	-	-	-	(232)	(212)	(444)	-	(444)
Loss for the year	-	-	-	-	-	-	-	(10,899)	(10,899)	(8,916)	(19,815)
Total comprehensive loss for the year	-	-	-	-	-	-	(232)	(11,111)	(11,343)	(8,916)	(20,259)
<b>At 31 December 2017</b>	<b>49,913</b>	<b>23,098</b>	<b>10,019</b>	<b>1,902</b>	<b>7,348</b>	<b>-</b>	<b>(488)</b>	<b>(42,364)</b>	<b>49,428</b>	<b>(26,779)</b>	<b>22,649</b>
<b>Preceding year's 12 months period ended 31 December 2016 (Audited)</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	1,038	-	-	7,348	-	-	-	23,694	-	23,694
Issuance of shares pursuant to private placement	4,537	454	-	-	-	-	-	-	4,991	-	4,991
Termination of employee share options	-	-	-	(279)	-	-	-	279	-	-	-
Offer and acceptance of employee share options 2016/2026	-	-	-	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)
Employee share options 2016/2026 lapsed due to resignation of employees	-	-	-	(31)	-	-	-	31	-	-	-
	(70,327)	1,492	-	1,787	4,392	2,956	-	90,304	30,604	638	31,242
<b>Other comprehensive gain/(loss) for the year</b>											
Foreign currency translation differences	-	-	-	-	-	-	2,101	-	2,101	-	2,101
Gain on revaluation of buildings	-	-	3,442	-	-	-	-	-	3,442	-	3,442
Remeasurement of net retirement benefit obligations	-	-	-	-	-	-	-	(232)	(232)	-	(232)
Other comprehensive gain/(loss) for the year	-	-	3,442	-	-	-	2,101	(232)	5,311	-	5,311
Loss for the period	-	-	-	-	-	-	-	(13,617)	(13,617)	(5,811)	(19,428)
Total comprehensive income/(loss) for the year	-	-	3,442	-	-	-	2,101	(13,849)	(8,306)	(5,811)	(14,117)
<b>At 31 December 2016</b>	<b>49,902</b>	<b>23,098</b>	<b>10,019</b>	<b>2,066</b>	<b>7,348</b>	<b>-</b>	<b>(256)</b>	<b>(31,415)</b>	<b>60,762</b>	<b>(17,865)</b>	<b>42,897</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 31 December 2017**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
<b>NOTE</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from / (used in) operating activities</b>		
Loss before taxation	(22,943)	(19,539)
Adjustments for:		
Amortisation of intangible asset	Part B 6 8	8
Bad debts written off	Part B 6 194	-
Depreciation	Part B 6 3,928	3,850
Impairment loss of plant and equipment	Part B 6 16,691	9,534
Interest expense	Part B 6 2,067	2,741
Interest income	Part B 6 (16)	(29)
Inventories written off	Part B 6 207	-
Gain on disposal of plant and equipment	Part B 6 (146)	(428)
Allowance for doubtful debts	Part B 6 31	5
Allowance for doubtful debts no longer required	-	(238)
Provision for retirement benefit obligations	681	1,165
Plant and equipment written off	Part B 6 206	-
Fair value of ESOS granted	-	2,097
Share of losses from associate	116	-
Unrealised loss on foreign exchange	Part B 6 2,678	121
Unrealised gain on foreign exchange	Part B 6 (1,004)	(2,523)
<b>Operating profit/(loss) before working capital changes</b>	<b>2,698</b>	<b>(3,236)</b>
(Increase)/Decrease in inventories	(2,385)	2,442
(Increase)/Decrease in trade and other receivables	(1,766)	2,783
Increase/(Decrease) in trade and other payables	8,976	(18,709)
<b>Cash flows from / (used in) operations</b>	<b>7,523</b>	<b>(16,720)</b>
Interest paid	(2,067)	(2,389)
Interest received	16	29
Retirement benefits paid	(235)	(957)
<b>Net cash from / (used in) operating activities</b>	<b>5,237</b>	<b>(20,037)</b>
<b>Cash flows from / (used in) investing activities</b>		
Decrease in fixed deposits pledged	26	108
Acquisition of non-controlling interest	-	(30)
Acquisition of shares in associate	(980)	-
Dilution of share in investment in subsidiary	-	490
Purchase of plant and equipment	(2,186)	(203)
Proceeds from disposal of plant and equipment	146	486
<b>Net cash (used in) / from investing activities</b>	<b>(2,994)</b>	<b>851</b>
<b>Cash flows from / (used in) financing activities</b>		
Proceeds from shares issued pursuant to private placement	-	4,991
Proceeds from shares issued pursuant to Rights Issue with Warrant 2016/2021	-	23,694
Proceeds from exercise of ESOS	11	-
Repayment of trade finance	-	(6,710)
Proceeds from term loan(s)	1,600	6,629
Repayment of term loan(s)	(7,362)	(6,883)
Repayment of hire purchase and finance lease liabilities	(55)	(47)
<b>Net cash (used in) / from financing activities</b>	<b>(5,806)</b>	<b>21,674</b>
Exchange differences	(256)	1,209
Net decrease in cash and cash equivalents	(3,819)	3,697
Cash and cash equivalents at beginning of year	7,653	3,956
<b>Cash and cash equivalents at end of year</b>	<b>3,834</b>	<b>7,653</b>
<b>Cash and cash equivalents at end of year comprises:</b>		
Cash and bank balances	3,834	7,653
Deposits with licensed banks	150	170
Deposits pledged as security	(150)	(170)
	<b>3,834</b>	<b>7,653</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 31 Dec 2017 RM'000</b>	<b>Audited As at 31 Dec 2016 RM'000</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(40,574)	(33,817)
- Unrealised	(1,674)	2,402
	<b>(42,248)</b>	<b>(31,415)</b>
Total share of accumulated losses from associate		
- Realised	(116)	-
	<b>(42,364)</b>	<b>(31,415)</b>
Consolidation adjustments	-	-
<b>Accumulated losses as per financial statements</b>	<b>(42,364)</b>	<b>(31,415)</b>