

HO WAH GENTING BERHAD

(Company no: 272923-H)

**Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 30 June 2018**

	Individual Quarter		Cumulative Quarters	
	2018 Apr - Jun RM'000	2017 Apr - Jun RM'000	2018 Jan - Jun RM'000	2017 Jan - Jun RM'000
Continuing operations				
Revenue				
- sales of goods	36,210	37,165	74,792	70,161
- rendering of services	1,189	880	2,255	1,776
- rental income	55	33	110	66
	37,454	38,078	77,157	72,003
Cost of sales				
- sales of goods	(33,639)	(34,443)	(70,119)	(65,706)
- rendering of services	(1,133)	(845)	(2,128)	(1,659)
- rental income	-	-	-	-
	(34,772)	(35,288)	(72,247)	(67,365)
Gross profit	2,682	2,790	4,910	4,638
Other operating income	602	915	1,614	1,630
Distribution costs	(561)	(568)	(1,174)	(1,317)
Administrative expenses	(2,083)	(2,299)	(5,302)	(4,619)
Other operating expenses	1,040	(1,338)	(778)	(2,134)
Profit/(Loss) from operations	1,680	(500)	(730)	(1,802)
Finance costs	(519)	(482)	(715)	(1,012)
Share of losses of associate	(547)	-	(864)	-
Profit/(Loss) before taxation	614	(982)	(2,309)	(2,814)
Income tax expense	(201)	-	(201)	-
Net profit/(loss) for the period	413	(982)	(2,510)	(2,814)
Other comprehensive Gain/(Loss):				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of retirement benefits obligations	-	-	-	-
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	547	(227)	51	(317)
Other comprehensive gain/(loss) for the period, net of tax	547	(227)	51	(317)
Total comprehensive gain/(loss) for the period	960	(1,209)	(2,459)	(3,131)
Profit/(Loss) attributable to:				
Owners of the Company	562	(849)	(2,221)	(2,510)
Non controlling interests	(149)	(133)	(289)	(304)
	413	(982)	(2,510)	(2,814)
Total comprehensive gain/(loss) attributable to:				
Owners of the Company	1,109	(1,076)	(2,170)	(2,827)
Non controlling interests	(149)	(133)	(289)	(304)
	960	(1,209)	(2,459)	(3,131)
Earnings/(Loss) per share attributable to owners of the Company				
- Basic (sen)	0.19	(0.34)	(0.77)	(1.01)
- 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 2017

HO WAH GENTING BERHAD

(Company no: 272923-H)

Condensed Consolidated Statement of Financial Position**As at 30 June 2018**

	Unaudited As at 30 Jun 2018 RM'000	Audited As at 31 Dec 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,862	37,792
Intangible asset	7	11
Investment in associate	-	864
Deferred tax assets	2,769	2,769
	40,638	41,436
Current assets		
Inventories	23,108	20,784
Trade receivables	14,636	15,802
Other receivables, deposits and prepayments	1,239	1,110
Amount due from an associate	4,030	-
Tax recoverable	296	56
Fixed deposits	154	150
Cash and bank balances	6,078	3,838
	49,541	41,740
TOTAL ASSETS	90,179	83,176
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	63,251	49,924
Reserves	40,815	40,818
Accumulated losses	(44,487)	(42,291)
	59,579	48,451
Non controlling interests	(27,069)	(26,780)
TOTAL EQUITY	32,510	21,671
Non-current liabilities		
Hire purchase and finance lease liabilities	518	205
Long term borrowings	8,978	11,963
Retirement benefits obligation	3,344	3,089
Deferred tax liabilities	2,780	2,780
	15,620	18,037
Current liabilities		
Trade payables	12,067	11,459
Other payables and accruals	17,027	25,027
Hire purchase and finance lease liabilities	93	50
Short term borrowings	12,862	6,932
	42,049	43,468
TOTAL LIABILITIES	57,669	61,505
TOTAL EQUITY AND LIABILITIES	90,179	83,176
	-	-
Net Assets per share (RM)	0.10	0.09
Net Tangible Assets per share (RM)	0.10	0.09

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017

HO WAH GENTING BERHAD

(Company no: 272923-H)

**Condensed Consolidated Statement of Changes in Equity
for the financial period ended 30 June 2018**

	----- Attributable to Shareholders of the Company -----								Non controlling interests RM'000	Total equity RM'000
	----- Non Distributable -----							Sub-total RM'000		
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Employee share option reserve RM'000	Warrant reserve RM'000	Exchange fluctuation reserve RM'000	Accumulated losses RM'000			
Current year's 6 months period ended 30 June 2018 (Unaudited)										
At 1 January 2018	49,924	23,098	10,019	1,902	7,348	(1,549)	(42,291)	48,451	(26,780)	21,671
Transaction with owners:										
Employee Share Option ("ESOS") exercised	31	-	-	-	-	-	-	31	-	31
Transfer of ESOS Reserve upon exercise of ESOS	29	-	-	(29)	-	-	-	-	-	-
ESOS lapsed	-	-	-	(25)	-	-	25	-	-	-
Issuance of shares pursuant to Private Placement	13,484	-	-	-	-	-	-	13,484	-	13,484
Expenses related to Private Placement of shares	(217)	-	-	-	-	-	-	(217)	-	(217)
	13,327	-	-	(54)	-	-	25	13,298	-	13,298
Other comprehensive gain/(loss) for the period										
Remeasurement of retirement benefits obligations	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	-	51	-	51	-	51
	-	-	-	-	-	51	-	51	-	51
Loss for the period	-	-	-	-	-	-	(2,221)	(2,221)	(289)	(2,510)
Total comprehensive loss for the period	-	-	-	-	-	51	(2,221)	(2,170)	(289)	(2,459)
At 30 June 2018	63,251	23,098	10,019	1,848	7,348	(1,498)	(44,487)	59,579	(27,069)	32,510
Preceding year's 6 months period ended 30 June 2017 (Unaudited)										
At 1 January 2017	49,902	23,098	10,019	2,066	7,348	(256)	(31,415)	60,762	(17,865)	42,897
Transactions with owners:										
Employee Share Options ("ESOS") exercised	11	-	-	(10)	-	-	10	11	-	11
ESOS lapsed	-	-	-	(113)	-	-	113	-	-	-
	11	-	-	(123)	-	-	123	11	-	11
Other comprehensive gain/(loss) for the period										
Foreign currency translation differences	-	-	-	-	-	(317)	-	(317)	-	(317)
Remeasurement of net retirement benefit obligations	-	-	-	-	-	-	-	-	-	-
Other comprehensive gain/(loss) for the period	-	-	-	-	-	(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)
At 30 June 2017	49,913	23,098	10,019	1,943	7,348	(573)	(33,802)	57,946	(18,169)	39,777

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017

HO WAH GENTING BERHAD

(Company no: 272923-H)

**Condensed Consolidated Statements of Cash Flows
for the financial period ended 30 June 2018**

	<u>NOTE</u>	Unaudited 30 Jun 2018 RM'000	Unaudited 30 Jun 2017 RM'000
Cash flows from / (used in) operating activities			
Loss before taxation		(2,309)	(2,814)
Adjustments for:			
Amortisation of intangible asset	Part B 6	4	4
Depreciation	Part B 6	1,662	2,228
Interest expense	Part B 6	715	1,012
Interest income	Part B 6	(18)	(10)
Gain on disposal of plant and equipment	Part B 6	(76)	(113)
Allowance for doubtful debts no longer required	Part B 6	(4)	-
Provision for retirement benefit obligations		358	264
Plant and equipment written off	Part B 6	-	194
Share of losses from associate		864	-
Unrealised loss on foreign exchange	Part B 6	56	1,162
Unrealised gain on foreign exchange	Part B 6	(201)	(373)
Operating profit before working capital changes		1,051	1,554
Increase in inventories		(2,316)	(649)
Decrease in trade and other receivables		738	1,325
Decrease in trade and other payables		(7,247)	(2,105)
Cash (used in) / generated from operations		(7,774)	125
Income tax paid		-	-
Income tax refunded		-	-
Interest paid		(715)	(1,012)
Interest received		18	10
Retirement benefits paid		(102)	(219)
Net cash used in operating activities		(8,573)	(1,096)
Cash flows from / (used in) investing activities			
Decrease in fixed deposits pledged		(5)	(6)
Advances to an associate		(4,030)	-
Purchase of plant and equipment		(1,787)	(1,555)
Proceeds from disposal of plant and equipment		76	113
Net cash used in investing activities		(5,746)	(1,448)
Cash flows from / (used in) financing activities			
Proceeds from shares issued pursuant to private placement		13,484	-
Proceeds from exercise of ESOS		31	11
Payment of corporate exercise expenses		(217)	-
Proceeds from trade financing		8,827	-
Repayment of trade financing		(3,026)	-
Repayment of term loan(s)		(2,901)	(3,742)
Proceeds from hire purchase and finance lease liabilities		392	-
Repayment of hire purchase and finance lease liabilities		(36)	(27)
Net cash from / (used in) financing activities		16,554	(3,758)
Exchange differences		5	(58)
Net increase / (decrease) in cash and cash equivalents		2,240	(6,360)
Cash and cash equivalents at beginning of period		3,838	7,653
Cash and cash equivalents at end of period		6,078	1,293
Cash and cash equivalents at end of period comprises:			
Cash and bank balances		6,078	1,293
Deposits with licensed banks		154	176
		6,232	1,469
Deposits pledged as security		(154)	(176)
		6,078	1,293
		-	-

The Condensed Consolidated Statement Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017