

HO WAH GENTING BERHAD

(Company no: 272923-H)

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

	Individual Quarter		Cummulative Quarters	
	2018 Jul - Sep RM'000	2017 Jul - Sep RM'000	2018 Jan - Sep RM'000	2017 Jan - Sep RM'000
Continuing operations				
Revenue				
- sales of goods	42,858	41,595	117,650	111,756
- rendering of services	1,188	1,225	3,443	3,001
- rental income	56	33	166	99
	44,102	42,853	121,259	114,856
Cost of sales				
- sales of goods	(39,193)	(38,033)	(109,312)	(103,739)
- rendering of services	(1,124)	(1,135)	(3,252)	(2,794)
- rental income	-	-	-	-
	(40,317)	(39,168)	(112,564)	(106,533)
Gross profit	3,785	3,685	8,695	8,323
Other operating income	1,154	1,202	2,768	2,832
Distribution costs	(644)	(694)	(1,818)	(2,011)
Administrative expenses	(3,246)	(2,870)	(8,548)	(7,489)
Other operating expenses	(531)	(1,468)	(1,309)	(3,602)
Profit/(Loss) from operations	518	(145)	(212)	(1,947)
Finance costs	(397)	(438)	(1,112)	(1,450)
Share of losses of an associate	-	-	(864)	-
Profit/(Loss) before taxation	121	(583)	(2,188)	(3,397)
Income tax expense	(2,299)	-	(2,500)	-
Net loss for the period	(2,178)	(583)	(4,688)	(3,397)
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	296	(196)	347	(513)
Other comprehensive gain/(loss) for the period, net of tax	296	(196)	347	(513)
Total comprehensive loss for the period	(1,882)	(779)	(4,341)	(3,910)
Loss attributable to:				
Owners of the Company	(2,106)	(421)	(4,327)	(2,931)
Non controlling interests	(72)	(162)	(361)	(466)
	(2,178)	(583)	(4,688)	(3,397)
Total comprehensive loss attributable to:				
Owners of the Company	(1,810)	(617)	(3,980)	(3,444)
Non controlling interests	(72)	(162)	(361)	(466)
	(1,882)	(779)	(4,341)	(3,910)
Loss per share attributable to owners of the Company				
- Basic (sen)	(0.70)	(0.17)	(1.44)	(1.17)
- 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 September 2018**

	Unaudited As at 30 Sep 2018 RM'000	Audited As at 31 Dec 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,561	37,792
Intangible asset	5	11
Investment in associate	-	864
Deferred tax assets	2,769	2,769
	40,335	41,436
Current assets		
Inventories	24,495	20,784
Trade receivables	14,697	15,802
Other receivables, deposits and prepayments	1,182	1,110
Amount due from an associate	5,030	-
Tax recoverable	58	56
Fixed deposits	154	150
Cash and bank balances	3,513	3,838
	49,129	41,740
TOTAL ASSETS	89,464	83,176
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	63,251	49,924
Reserves	42,008	40,818
Accumulated losses	(46,520)	(42,291)
	58,739	48,451
Non controlling interests	(27,141)	(26,780)
TOTAL EQUITY	31,598	21,671
Non-current liabilities		
Hire purchase and finance lease liabilities	496	205
Long term borrowings	7,312	11,963
Retirement benefits obligation	3,556	3,089
Deferred tax liabilities	2,780	2,780
	14,144	18,037
Current liabilities		
Trade payables	10,918	11,459
Other payables and accruals	16,358	25,027
Tax payables	1,396	-
Hire purchase and finance lease liabilities	93	50
Short term borrowings	14,957	6,932
	43,722	43,468
TOTAL LIABILITIES	57,866	61,505
TOTAL EQUITY AND LIABILITIES	89,464	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 September 2018**

	----- Attributable to Shareholders of the Company -----							Sub-total RM'000	Non controlling interests RM'000	Total equity RM'000
	----- Non Distributable -----									
	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 9 months period ended 30 September 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	-	-	-	(98)	-	-	98	-	-	-
Issuance of shares pursuant to Private Placement	13,484	-	-	-	-	-	-	13,484	-	13,484
Expenses related to Private Placement of shares	(217)	-	-	-	-	-	-	(217)	-	(217)
Grant of equity settled share options to employees	-	-	-	970	-	-	-	970	-	970
	13,327	-	-	843	-	-	98	14,268	-	14,268
Other comprehensive gain/(loss) for the period										
Remeasurement of retirement benefits obligations	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	-	347	-	347	-	347
	-	-	-	-	-	347	-	347	-	347
Loss for the period	-	-	-	-	-	-	(4,327)	(4,327)	(361)	(4,688)
Total comprehensive loss for the period	-	-	-	-	-	347	(4,327)	(3,980)	(361)	(4,341)
At 30 September 2018	63,251	23,098	10,019	2,745	7,348	(1,202)	(46,520)	58,739	(27,141)	31,598
Preceding year's 9 months period ended 30 September 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	-	-	-	(134)	-	-	134	-	-	-
	11	-	-	(144)	-	-	144	11	-	11
Other comprehensive gain/(loss) for the period										
Foreign currency translation differences	-	-	-	-	-	(513)	-	(513)	-	(513)
Remeasurement of net retirement benefit obligations	-	-	-	-	-	-	-	-	-	-
Other comprehensive loss for the period	-	-	-	-	-	(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

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 September 2018**

	NOTE	Unaudited 30 Sep 2018 RM'000	Unaudited 30 Sep 2017 RM'000
Cash flows from / (used in) operating activities			
Loss before taxation		(2,188)	(3,397)
Adjustments for:			
Amortisation of intangible asset	Part B 6	6	6
Bad debts written off	Part B 6	-	196
Depreciation	Part B 6	2,629	3,460
Interest expense	Part B 6	1,112	1,450
Interest income	Part B 6	(21)	(11)
Gain on disposal of plant and equipment	Part B 6	(77)	(112)
Allowance for doubtful debts no longer required	Part B 6	(7)	-
Provision for retirement benefit obligations		482	393
Plant and equipment written off	Part B 6	-	192
Grant of equity settled share options pursuant to ESOS		970	-
Share of losses from an associate		864	-
Unrealised loss on foreign exchange	Part B 6	200	1,908
Unrealised gain on foreign exchange	Part B 6	(583)	(618)
Operating profit before working capital changes		3,387	3,467
Increase in inventories		(3,134)	(4,291)
Decrease/(Increased) in trade and other receivables		1,367	(3,892)
(Decrease)/Increase in trade and other payables		(9,385)	8,314
Cash (used in) / generated from operations		(7,765)	3,598
Income tax paid		(1,153)	-
Interest paid		(1,112)	(1,450)
Interest received		21	11
Retirement benefits paid		(103)	(238)
Net cash (used in) / from operating activities		(10,112)	1,921
Cash flows from / (used in) investing activities			
Decrease in fixed deposits pledged		(5)	26
Advances to an associate		(5,030)	-
Purchase of plant and equipment		(1,891)	(2,048)
Proceeds from disposal of plant and equipment		77	112
Net cash used in investing activities		(6,849)	(1,910)
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		30,117	-
Repayment of trade financing		(22,529)	-
Proceeds from term loan(s)		-	1,600
Repayment of term loan(s)		(4,622)	(5,571)
Proceeds from hire purchase and finance lease liabilities		392	-
Repayment of hire purchase and finance lease liabilities		(59)	(41)
Net cash from / (used in) financing activities		16,597	(4,001)
Exchange differences		39	(88)
Net decrease in cash and cash equivalents		(325)	(4,078)
Cash and cash equivalents at beginning of period		3,838	7,653
Cash and cash equivalents at end of period		3,513	3,575
Cash and cash equivalents at end of period comprises:			
Cash and bank balances		3,513	3,575
Deposits with licensed banks		154	150
		3,667	3,725
Deposits pledged as security		(154)	(150)
		3,513	3,575

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