

HO WAH GENTING BERHAD

(Company no: 272923-H)

Condensed Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2018

	Individual Quarter		Cummulative Quarters	
	2018 Oct - Dec RM'000	2017 Oct - Dec RM'000	2018 Jan - Dec RM'000	2017 Jan - Dec RM'000
Continuing operations				
Revenue				
- sales of goods	37,222	40,480	154,872	152,236
- rendering of services	1,171	1,179	4,614	4,180
- rental income	55	48	221	147
	38,448	41,707	159,707	156,563
Cost of sales				
- sales of goods	(34,443)	(38,558)	(143,755)	(142,297)
- rendering of services	(1,104)	(1,108)	(4,356)	(3,902)
- rental income	-	-	-	-
	(35,547)	(39,666)	(148,111)	(146,199)
Gross profit	2,901	2,041	11,596	10,364
Other operating income	1,124	287	3,892	3,119
Distribution costs	(692)	(887)	(2,510)	(2,898)
Administrative expenses	(2,103)	(3,477)	(10,651)	(10,966)
Other operating expenses	(235)	(16,694)	(1,544)	(20,296)
Profit/(Loss) from operations	995	(18,730)	783	(20,677)
Finance costs	555	(617)	(557)	(2,067)
Share of losses of an associate	-	(116)	(864)	(116)
Profit/(Loss) before taxation	1,550	(19,463)	(638)	(22,860)
Income tax expense	(3,304)	3,128	(5,804)	3,128
Net loss for the period/year	(1,754)	(16,335)	(6,442)	(19,732)
Other comprehensive Gain/(Loss):				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of retirement benefits obligations	(86)	(212)	(86)	(212)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	39	(780)	386	(1,293)
Other comprehensive gain/(loss) for the period/year, net of tax	(47)	(992)	300	(1,505)
Total comprehensive loss for the period/year	(1,801)	(17,327)	(6,142)	(21,237)
Loss attributable to:				
Owners of the Company	(28,726)	(7,885)	(33,053)	(10,816)
Non controlling interests	26,972	(8,450)	26,611	(8,916)
	(1,754)	(16,335)	(6,442)	(19,732)
Total comprehensive loss attributable to:				
Owners of the Company	(28,773)	(8,877)	(32,753)	(12,321)
Non controlling interests	26,972	(8,450)	26,611	(8,916)
	(1,801)	(17,327)	(6,142)	(21,237)
Loss per share attributable to owners of the Company				
- Basic (sen)	(9.36)	(3.16)	(10.78)	(4.33)
- 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 31 December 2018**

	Unaudited As at 31 Dec 2018 RM'000	Audited As at 31 Dec 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	36,332	37,792
Intangible asset	-	11
Investment in associate	-	864
Deferred tax assets	-	2,769
	36,332	41,436
Current assets		
Inventories	27,406	20,784
Trade receivables	16,824	15,802
Other receivables, deposits and prepayments	1,093	1,110
Amount due from an associate	6,121	-
Tax recoverable	-	56
Fixed deposits	154	150
Cash and bank balances	5,001	3,838
	56,599	41,740
TOTAL ASSETS	92,931	83,176
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company:		
Share capital	86,349	49,924
Reserves	18,917	40,818
Accumulated losses	(75,295)	(42,291)
	29,971	48,451
Non controlling interests	467	(26,780)
TOTAL EQUITY	30,438	21,671
Non-current liabilities		
Hire purchase and finance lease liabilities	473	205
Long term borrowings	5,517	11,963
Retirement benefits obligation	3,389	3,089
Deferred tax liabilities	2,844	2,780
	12,223	18,037
Current liabilities		
Trade payables	11,608	11,459
Other payables and accruals	19,575	25,027
Tax payables	984	-
Hire purchase and finance lease liabilities	93	50
Short term borrowings	18,010	6,932
	50,270	43,468
TOTAL LIABILITIES	62,493	61,505
TOTAL EQUITY AND LIABILITIES	92,931	83,176
Net Assets per share (RM)	0.09	0.09
Net Tangible Assets per share (RM)	0.09	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 year ended 31 December 2018**

	----- Attributable to Shareholders of the Company -----									
	----- Non Distributable -----									
	Share capital	Share premium	Revaluation reserve	Employee share option reserve	Warrant reserve	Exchange fluctuation reserve	Accumulated losses	Sub-total	Non controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year's 12 months period ended 31 December 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	-	-	-	(135)	-	-	135	-	-	-
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	-	-	-	975	-	-	-	975	-	975
Disposal of shares in a subsidiary	-	-	-	-	-	-	-	-	636	636
	13,327	-	-	811	-	-	135	14,273	636	14,909
Transfer of share premium to share capital	23,098	(23,098)	-	-	-	-	-	-	-	-
Other comprehensive gain/(loss) for the year										
Remeasurement of retirement benefits obligations	-	-	-	-	-	-	(86)	(86)	-	(86)
Foreign currency translation differences	-	-	-	-	-	386	-	386	-	386
	-	-	-	-	-	386	(86)	300	-	300
Loss for the year	-	-	-	-	-	-	(33,053)	(33,053)	26,611	(6,442)
Total comprehensive loss for the year	-	-	-	-	-	386	(33,139)	(32,753)	26,611	(6,142)
At 31 December 2018	86,349	-	10,019	2,713	7,348	(1,163)	(75,295)	29,971	467	30,438
Preceding year's 12 months period ended 31 December 2017 (audited)										
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:										
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	1	1
Employee Share Options ("ESOS") exercised	11	-	-	-	-	-	(1)	10	-	10
Transfer of ESOS reserve upon exercise of ESOS	11	-	-	(11)	-	-	-	-	-	-
ESOS lapsed	-	-	-	(153)	-	-	153	-	-	-
	22	-	-	(164)	-	-	152	10	1	11
Other comprehensive gain/(loss) for the period										
Foreign currency translation differences	-	-	-	-	-	(1,293)	-	(1,293)	-	(1,293)
Remeasurement of net retirement benefit obligations	-	-	-	-	-	-	(212)	(212)	-	(212)
Other comprehensive loss for the year	-	-	-	-	-	(1,293)	(212)	(1,505)	-	(1,505)
Loss for the year	-	-	-	-	-	-	(10,816)	(10,816)	(8,916)	(19,732)
Total comprehensive loss for the year	-	-	-	-	-	(1,293)	(11,028)	(12,321)	(8,916)	(21,237)
At 31 December 2017	49,924	23,098	10,019	1,902	7,348	(1,549)	(42,291)	48,451	(26,780)	21,671

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**Condensed Consolidated Statements of Cash Flows
for the financial year ended 31 December 2018**

	<u>NOTE</u>	Unaudited 31 Dec 2018 RM'000	Audited 31 Dec 2017 RM'000
Cash flows from / (used in) operating activities			
Loss before taxation		(638)	(22,860)
Adjustments for:			
Amortisation of intangible asset	Part B 6	8	8
Bad debts written off	Part B 6	27	194
Depreciation	Part B 6	3,332	3,927
Impairment loss of plant and equipment	Part B 6	-	16,691
Interest expense	Part B 6	557	2,067
Interest income	Part B 6	(114)	(16)
Inventories written off	Part B 6	-	208
Gain on disposal of plant and equipment	Part B 6	(93)	(146)
Gain on disposal of shares in a subsidiary	Part B 6	(589)	-
Allowance for doubtful debts	Part B 6	-	31
Allowance for doubtful debts no longer required	Part B 6	(7)	-
Provision for retirement benefit obligations		241	681
Plant and equipment written off	Part B 6	-	220
Grant of equity settled share options pursuant to ESOS		975	-
Share of losses from an associate		864	116
Unrealised loss on foreign exchange	Part B 6	191	1,989
Unrealised gain on foreign exchange	Part B 6	(564)	(413)
Operating profit before working capital changes		4,190	2,697
Increase in inventories		(6,009)	(2,385)
Decrease/(Increased) in trade and other receivables		1,077	(4,422)
(Decrease)/Increase in trade and other payables		(4,623)	9,464
Cash (used in) / generated from operations		(5,365)	5,354
Income tax paid		(2,001)	-
Interest paid		(1,483)	(1,883)
Interest received		114	16
Retirement benefits paid		(105)	(235)
Net cash (used in) / from operating activities		(8,840)	3,252
Cash flows from / (used in) investing activities			
Decrease in fixed deposits pledged		(5)	20
Subscription of shares in an associate		-	(980)
Advances to an associate		(6,030)	-
Purchase of plant and equipment		(1,956)	(2,186)
Proceeds from disposal of plant and equipment		78	146
Net cash used in investing activities		(7,913)	(3,000)
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		48,721	-
Repayment of trade financing		(38,100)	-
Proceeds from term loan(s)		-	1,600
Repayment of term loan(s)		(6,391)	(7,362)
Proceeds from hire purchase and finance lease liabilities		392	-
Repayment of hire purchase and finance lease liabilities		(82)	(55)
Net cash from / (used in) financing activities		17,838	(5,806)
Exchange differences		78	1,739
Net increase/(decrease) in cash and cash equivalents		1,163	(3,815)
Cash and cash equivalents at beginning of year		3,838	7,653
Cash and cash equivalents at end of year		5,001	3,838
Cash and cash equivalents at end of year comprises:			
Cash and bank balances		5,001	3,838
Deposits with licensed banks		154	150
		5,155	3,988
Deposits pledged as security		(154)	(150)
		5,001	3,838

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