

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**for the financial period ended 30 June 2014**

	Individual Quarter		Cumulative Quarters	
	Apr - Jun 2014	Apr - Jun 2013	Jan - Jun 2014	Jan - Jun 2013
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
<b>Revenue</b>				
- sales of goods	52,021	69,000	95,914	117,108
- services	169	166	339	336
	<b>52,190</b>	<b>69,166</b>	<b>96,253</b>	<b>117,444</b>
<b>Cost of sales</b>				
- sales of goods	(51,187)	(67,822)	(96,203)	(116,875)
- services	-	-	-	-
	(51,187)	(67,822)	(96,203)	(116,875)
<b>Gross profit</b>	<b>1,003</b>	<b>1,344</b>	<b>50</b>	<b>569</b>
Other operating income	1,259	1,428	2,523	2,417
Distribution costs	(902)	(960)	(1,614)	(1,685)
Administrative expenses	(3,232)	(3,567)	(6,040)	(6,103)
Other operating expenses	(655)	(35)	(3,362)	(918)
<b>Operating Loss</b>	<b>(2,527)</b>	<b>(1,790)</b>	<b>(8,443)</b>	<b>(5,720)</b>
Interest expense	(1,199)	(1,073)	(2,307)	(2,190)
Share of results of Associates	(27)	(2)	(28)	(7)
<b>Loss before tax</b>	<b>(3,753)</b>	<b>(2,865)</b>	<b>(10,778)</b>	<b>(7,917)</b>
Income tax expense	-	-	-	-
<b>Net loss for the period</b>	<b>(3,753)</b>	<b>(2,865)</b>	<b>(10,778)</b>	<b>(7,917)</b>
<b>Other Comprehensive Income/(Loss):</b>				
Currency translation differences arising from consolidation	(105)	305	(156)	503
Income/(Loss) on fair value changes on "Available For Sale" financial assets				
- Current period	921	(2,607)	925	(8,305)
- Transfer to profit or loss				
Income tax relating to components of other comprehensive income/(loss)	-	-	-	-
<b>Other Comprehensive Income/(Loss) net of tax</b>	<b>816</b>	<b>(2,302)</b>	<b>769</b>	<b>(7,802)</b>
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>(2,937)</b>	<b>(5,167)</b>	<b>(10,009)</b>	<b>(15,719)</b>
<b>Loss attributable to:</b>				
Owners of the Company	(3,322)	(2,596)	(10,076)	(7,028)
Non controlling interests	(431)	(269)	(702)	(889)
	<b>(3,753)</b>	<b>(2,865)</b>	<b>(10,778)</b>	<b>(7,917)</b>
<b>Total Comprehensive Income/(Loss) attributable to:</b>				
Owners of the Company	(2,506)	(4,898)	(9,307)	(14,830)
Non controlling interests	(431)	(269)	(702)	(889)
	<b>(2,937)</b>	<b>(5,167)</b>	<b>(10,009)</b>	<b>(15,719)</b>
<b>Loss per share attributable to owners of the Company</b>				
- Basic (sen)	<b>(0.56)</b>	<b>(0.48)</b>	<b>(1.70)</b>	<b>(1.29)</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 2013

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2014**

	<b>Un-audited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 Jun 2014</b>	<b>31 Dec 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	58,183	58,703
Investment property	9,009	9,151
Exploration & evaluation assets	4,449	4,406
Intangible asset	118	158
Investment in associates	986	1,030
Other financial assets	11,684	12,682
Goodwill on consolidation	3,025	3,025
Deferred tax assets	300	300
	<b>87,754</b>	<b>89,455</b>
<b>Current assets</b>		
Inventories	53,278	45,031
Trade receivables	18,756	19,570
Other receivables, deposits and prepayments	3,778	4,208
Tax recoverable	62	58
Fixed deposits	719	765
Cash and bank balances	26,833	29,052
	<b>103,426</b>	<b>98,684</b>
<b>TOTAL ASSETS</b>	<b>191,180</b>	<b>188,139</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the Company:		
Share capital	118,206	118,206
Reserves	29,028	28,259
Accumulated losses	(79,977)	(69,901)
	<b>67,257</b>	<b>76,564</b>
Non controlling interests	(8,110)	(7,408)
<b>TOTAL EQUITY</b>	<b>59,147</b>	<b>69,156</b>
<b>Non-current liabilities</b>		
Hire purchase and finance lease liabilities	87	114
Long term borrowings	23,740	-
Retirement benefits obligation	1,472	1,473
Deferred tax liabilities	2,187	2,188
	<b>27,486</b>	<b>3,775</b>
<b>Current liabilities</b>		
Trade payables	34,471	25,836
Other payables and accruals	18,023	13,634
Hire purchase and finance lease liabilities	61	66
Amount due to associates	2,358	2,383
Short term borrowings	49,620	73,263
Tax payable	14	26
	<b>104,547</b>	<b>115,208</b>
<b>TOTAL LIABILITIES</b>	<b>132,033</b>	<b>118,983</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>191,180</b>	<b>188,139</b>
-		
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The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013		
<b>Net Assets per share (RM)</b>	<b>0.11</b>	<b>0.13</b>
<b>Net Tangible Assets per share (RM)</b>	<b>0.10</b>	<b>0.12</b>

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the financial period ended 30 June 2014**

← ← **Attributable to Shareholders of the Company** → →  
**Non Distributable**

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Fair value 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><u>Current year's 6 months period ended 30 June 2014</u></b>												
At 1 January 2014	118,206	21,606	6,577	(53)	352	13,640	(13,640)	(223)	(69,901)	76,564	(7,408)	69,156
<b>Total comprehensive income/(loss):</b>												
Loss for the period	-	-	-	-	-	-	-	-	(10,076)	(10,076)	(702)	(10,778)
Other comprehensive income/(loss)	-	-	-	925	-	-	-	(156)	-	769	-	769
Total comprehensive income/(loss)	-	-	-	925	-	-	-	(156)	(10,076)	(9,307)	(702)	(10,009)
<b>At 30 June 2014</b>	<b>118,206</b>	<b>21,606</b>	<b>6,577</b>	<b>872</b>	<b>352</b>	<b>13,640</b>	<b>(13,640)</b>	<b>(379)</b>	<b>(79,977)</b>	<b>67,257</b>	<b>(8,110)</b>	<b>59,147</b>
<b><u>Preceding year's 6 months period ended 30 June 2013</u></b>												
At 1 January 2013	107,418	18,639	6,380	(59)	366	13,640	(13,640)	(135)	(45,699)	86,910	(5,834)	81,076
<b>Transactions with owners:</b>												
Exercise of employee share options	39	11	-	-	(11)	-	-	-	-	39	-	39
Share issued pursuant to private placement	10,746	2,956	-	-	-	-	-	-	-	13,702	-	13,702
	10,785	2,967	-	-	(11)	-	-	-	-	13,741	-	13,741
<b>Total comprehensive income/(loss):</b>												
Loss for the period	-	-	-	-	-	-	-	-	(7,028)	(7,028)	(889)	(7,917)
Other comprehensive income/(loss)	-	-	-	(8,305)	-	-	-	503	-	(7,802)	-	(7,802)
Total comprehensive income/(loss)	-	-	-	(8,305)	-	-	-	503	(7,028)	(14,830)	(889)	(15,719)
<b>At 30 June 2013</b>	<b>118,203</b>	<b>21,606</b>	<b>6,380</b>	<b>(8,364)</b>	<b>355</b>	<b>13,640</b>	<b>(13,640)</b>	<b>368</b>	<b>(52,727)</b>	<b>85,821</b>	<b>(6,723)</b>	<b>79,098</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 2013

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Cash Flow Statement**  
**for the financial period ended 30 June 2014**

	<u>NOTE</u>	30 Jun 2014 RM'000	30 Jun 2013 RM'000
<b>Cash flows from/(used in) operating activities</b>			
Loss before taxation		(10,778)	(7,917)
Adjustments for:			
Amortisation of intangible asset		40	-
Depreciation		2,625	3,195
Gross dividend income from available for sale financial assets in Malaysia		(1)	-
Impairment loss on available for sale of financial assets		1,924	-
Impairment loss on investment in associate		16	-
Interest expense		2,307	2,190
Interest income		(6)	(21)
(Gain)/Loss on disposal of property, plant and equipment		(1)	37
Provision for retirement benefit obligations		118	58
Share of results of associates		28	7
Unrealised loss/(gain) on foreign exchange		(83)	273
<b>Operating loss before working capital changes</b>		<b>(3,811)</b>	<b>(2,178)</b>
Increase in inventories		(8,246)	(3,434)
Decrease/(Increase) in trade and other receivables		2,658	(1,211)
Increase in trade and other payables		11,185	10,046
<b>Cash flows from operations</b>		<b>1,786</b>	<b>3,223</b>
Income tax paid		(20)	(8)
Interest paid		(2,307)	(2,190)
Interest received		6	21
<b>Net cash (used in)/from operating activities</b>		<b>(535)</b>	<b>1,046</b>
<b>Cash flows from/(used in) investing activities</b>			
Dividends received		1	-
Increase in sinking funds account		(748)	(2,217)
Decrease in fixed deposits pledged		35	-
Payment for exploration and evaluation assets		(43)	(797)
Purchase of property, plant and equipment		(2,433)	(1,581)
Proceeds from disposal of property, plant and equipment		22	32
<b>Net cash used in investing activities</b>		<b>(3,166)</b>	<b>(4,563)</b>
<b>Cash flows from/(used in) financing activities</b>			
Repayment to associate		(20)	-
Proceeds from shares issued pursuant to private placement		-	13,702
Proceeds from exercise of employees share options		-	39
Proceeds from trade finance		70,676	4,224
Repayments of trade finance		(67,405)	(2,637)
Repayments of term loan(s)		(1,639)	(5,307)
Repayments of hire purchase and finance lease liabilities		(32)	(32)
Payments of retirement benefits		(86)	(137)
<b>Net cash from financing activities</b>		<b>1,494</b>	<b>9,852</b>
Exchange differences		(770)	(82)
Net (decrease)/increase in cash and cash equivalents		(2,977)	6,253
Cash and cash equivalents at beginning of year		6,368	5,407
<b>Cash and cash equivalents at end of year</b>	<b>1</b>	<b>3,391</b>	<b>11,660</b>

**NOTE**

**1. Cash and cash equivalents**

Cash and cash equivalents comprise of :

	30 Jun 2014 RM'000	30 Jun 2013 RM'000
Cash and bank balances	26,833	31,042
Deposits with licensed banks	719	740
	27,552	31,782
Deposits pledged as security	(719)	(740)
Sinking fund account	(23,442)	(19,382)
	<b>3,391</b>	<b>11,660</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013.

**HO WAH GENTING BERHAD (272923-H)**

**DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES**

	As at 30 Jun 2014	Audited As at 31 Dec 2013
	<b>RM'000</b>	<b>RM'000</b>
Total accumulated losses of HWGB and its subsidiaries:		
- Realised	(84,015)	(73,265)
- Unrealised	774	774
	<b>(83,241)</b>	<b>(72,491)</b>
Total share of accumulated losses from associated companies:		
- Realised	(1,398)	(1,370)
- Unrealised	-	-
	<b>(84,639)</b>	<b>(73,861)</b>
Consolidation adjustments	4,662	3,960
<b>Total group accumulated losses as per financial statements</b>	<b>(79,977)</b>	<b>(69,901)</b>