

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Comprehensive Income****For the period ended 30 June 2011****The figures have not been audited**

	Note	<u>2011</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2010</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2011</u> 6 MONTHS CUMULATIVE TO DATE RM'000	<u>2010</u> 6 MONTHS CUMULATIVE TO DATE RM'000
Revenue	7	63,332	55,633	122,004	106,813
Cost of sales		(42,246)	(35,406)	(82,347)	(68,826)
Gross profit		21,086	20,227	39,657	37,987
Other income		734	528	1,366	934
Administrative expenses		(4,288)	(4,146)	(8,584)	(8,373)
Selling and marketing expenses		(6,909)	(6,264)	(13,024)	(12,011)
Operating profit		10,623	10,345	19,415	18,537
Finance cost		-	-	-	-
Profit before tax		10,623	10,345	19,415	18,537
Income tax expense	17	(2,496)	(2,639)	(4,742)	(4,759)
Profit for the period		8,127	7,706	14,673	13,778
Other comprehensive income :					
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		8,127	7,706	14,673	13,778
Profit attributable to : Owners of the Parent		8,127	7,706	14,673	13,778
Total Comprehensive Income attributable to : Owners of the Parent		8,127	7,706	14,673	13,778
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic EPS	27	6.77	6.42	12.23	11.48
-Fully diluted EPS	27	6.77	6.42	12.23	11.48

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Financial Position****As at 30 June 2011****The figures have not been audited**

	As at 30/06/2011 RM'000	As at 31/12/2010 RM'000 (Audited)
ASSETS:		
Non-current assets:		
Property, Plant and Equipment	70,121	68,574
Investment property	661	1,849
Goodwill on consolidation	8,909	8,909
Deferred tax assets	130	172
<i>Sub total</i>	79,821	79,504
Current assets:		
Inventories	24,088	25,406
Trade and other receivables	38,635	35,507
Cash and cash equivalents	59,608	53,696
<i>Sub total</i>	122,331	114,609
TOTAL ASSETS	202,152	194,113
EQUITY AND LIABILITIES:		
Equity attributable to Owners of the Company:		
Share capital	60,000	60,000
Other reserves	18,729	18,729
Retained earnings	76,442	67,769
TOTAL EQUITY <i>Sub total</i>	155,171	146,498
Non-current liabilities:		
Deferred tax liabilities	8,960	8,551
<i>Sub total</i>	8,960	8,551
Current liabilities:		
Trade payables	21,029	18,998
Other payables	14,923	16,820
Tax payable	2,069	3,246
<i>Sub total</i>	38,021	39,064
TOTAL LIABILITIES	46,981	47,615
TOTAL EQUITY AND LIABILITIES	202,152	194,113

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Changes in Equity****The figures have not been audited****For the quarter ended 30 June 2011**

	Attributable to owners of the parent			
	Non-distributable		Distributable	Total
	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	
Opening balance at 1 January 2011	60,000	18,729	67,769	146,498
Total comprehensive income for the period	-	-	14,673	14,673
Transaction with the owners				
Dividends on ordinary share			(6,000)	(6,000)
Total transaction with the owners	-	-	(6,000)	(6,000)
Closing balance at 30 June 2011	60,000	18,729	76,442	155,171

For the corresponding quarter ended 30 June 2010

	Attributable to owners of the parent			
	Non-distributable		Distributable	Total
	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	
Opening balance at 1 January 2010	60,000	16,955	64,706	141,661
Effect of adopting amendment to FRS 117	-	1,774	(1,077)	697
Opening balance at 1 January 2010, as restated	60,000	18,729	63,629	142,358
Total comprehensive income for the period	-	-	13,778	13,778
Transaction with the owners				
Dividends on ordinary share			(4,800)	(4,800)
Total transaction with the owners	-	-	(4,800)	(4,800)
Closing balance at 30 June 2010	60,000	18,729	72,607	151,336

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Cash Flows****For the period ended 30 June 2011****The figures have not been audited**

	<u>2011</u> 6 months ended 30/06/2011 RM'000	<u>2010</u> 6 months ended 30/06/2010 RM'000
Cash flows from operating activities:		
Profit before tax	19,415	18,537
Adjustments for:		
Depreciation, amortisation and impairment losses	2,041	2,074
Interest income and expenses	(880)	(517)
Other non-cash items	44	138
Operating profit before changes in working capital	20,620	20,232
Net Change in current assets	(1,616)	(1,440)
Net Change in current liabilities	134	(4,205)
Cash flows from operations	19,138	14,587
Taxes paid	(5,762)	(4,107)
Net cash flows from operating activities	13,376	10,480
Cash flows from investing activities		
Interest received	880	517
Proceeds from disposal of property, plant and equipment	2,014	23
Purchase of Property, plant and equipment	(4,358)	(585)
Net cash (used in) /generated from investing activities	(1,464)	(45)
Cash flows from financing activities	-	-
Dividend paid	(6,000)	(4,800)
Net cash (used in) /generated from financing activities	(6,000)	(4,800)
Net change in cash and cash equivalents	5,912	5,635
Cash and cash equivalents at beginning of financial period	53,696	42,220
Cash and cash equivalents at end of financial period	59,608	47,855

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)