

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 September 2011

The figures have not been audited

	Note	<u>2011</u> CURRENT QUARTER ENDED 30 September RM'000	<u>2010</u> CURRENT QUARTER ENDED 30 September RM'000	<u>2011</u> 9 MONTHS CUMULATIVE TO DATE RM'000	<u>2010</u> 9 MONTHS CUMULATIVE TO DATE RM'000
Revenue	7	53,238	54,332	175,242	161,145
Cost of sales		(36,464)	(35,331)	(118,811)	(104,157)
Gross profit		16,774	19,001	56,431	56,988
Other income		846	574	2,212	1,508
Administrative expenses		(13,116)	(4,238)	(21,700)	(12,611)
Selling and marketing expenses		(6,400)	(6,198)	(19,424)	(18,209)
Operating profit		(1,896)	9,139	17,519	27,676
Finance cost		-	-	-	-
(Loss)/profit before tax		(1,896)	9,139	17,519	27,676
Income tax expense	17	(1,749)	(2,273)	(6,491)	(7,032)
(Loss)/profit for the period		(3,645)	6,866	11,028	20,644
Other comprehensive income :					
Transfer to profit or loss upon disposal of property		(76)	-	(76)	-
Income tax relating to component of other comprehensive income		19	-	19	-
Other comprehensive income for the period, net of tax		(57)	-	(57)	-
Total comprehensive income for the period		(3,702)	6,866	10,971	20,644
(Loss)/Profit attributable to :					
Owners of the Parent		(3,645)	6,866	11,028	20,644
Total Comprehensive Income attributable to :					
Owners of the Parent		(3,702)	6,866	10,971	20,644
(Loss)/earnings per share attributable to Owners of the Parent (sen) :					
-Basic	27	(3.04)	5.72	9.19	17.20
-Fully diluted	27	(3.04)	5.72	9.19	17.20

(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 September 2011****The figures have not been audited**

	As at 30/09/2011 RM'000	As at 31/12/2010 RM'000 (Audited)
ASSETS:		
Non-current assets:		
Property, Plant and Equipment	69,536	68,574
Investment property	269	1,849
Goodwill on consolidation	-	8,909
Deferred tax assets	152	172
<i>Sub total</i>	69,957	79,504
Current assets:		
Inventories	23,366	25,406
Trade and other receivables	33,250	35,507
Cash and cash equivalents	67,557	53,696
<i>Sub total</i>	124,173	114,609
TOTAL ASSETS	194,130	194,113
EQUITY AND LIABILITIES:		
Equity attributable to Owners of the Company:		
Share capital	60,000	60,000
Other reserves	18,705	18,729
Retained earnings	72,764	67,769
TOTAL EQUITY <i>Sub total</i>	151,469	146,498
Non-current liabilities:		
Deferred tax liabilities	8,448	8,551
<i>Sub total</i>	8,448	8,551
Current liabilities:		
Trade payables	16,751	18,998
Other payables	14,665	16,820
Tax payable	2,797	3,246
<i>Sub total</i>	34,213	39,064
TOTAL LIABILITIES	42,661	47,615
TOTAL EQUITY AND LIABILITIES	194,130	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 September 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	-	(24)	10,995	10,971
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 September 2011	60,000	18,705	72,764	151,469

For the corresponding quarter ended 30 September 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	-	-	20,644	20,644
Transaction with the owners				
Dividends on ordinary share			(10,800)	(10,800)
Total transaction with the owners	-	-	(10,800)	(10,800)
Closing balance at 30 September 2010	60,000	18,729	73,473	152,202

(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 September 2011****The figures have not been audited**

	<u>2011</u> 9 months ended 30/09/2011 RM'000	<u>2010</u> 9 months ended 30/09/2010 RM'000
Cash flows from operating activities:		
Profit before tax	17,519	27,676
Adjustments for:		
Depreciation, amortisation and impairment losses	12,056	3,149
Interest income and expenses	(1,418)	(887)
Other non-cash items	73	274
Operating profit before changes in working capital	28,230	30,212
Decrease/(increase) in inventories	1,957	(1,863)
Decrease in trade and other receivables	2,533	865
Decrease in trade and other payables	(4,402)	(1,049)
Cash flows from operations	28,318	28,165
Taxes paid	(7,377)	(6,617)
Net cash flows from operating activities	20,941	21,548
Cash flows from investing activities		
Interest received	1,418	887
Proceeds from disposal of property, plant and equipment	2,934	50
Purchase of Property, plant and equipment	(5,432)	(804)
Net cash (used in) /generated from investing activities	(1,080)	133
Cash flows from financing activities		
Dividend paid	(6,000)	(10,800)
Net cash (used in) /generated from financing activities	(6,000)	(10,800)
Net change in cash and cash equivalents	13,861	10,881
Cash and cash equivalents at beginning of financial period	53,696	42,220
Cash and cash equivalents at end of financial period	67,557	53,101

(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)