

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement of Comprehensive Income

For the period ended 31 March 2012

The figures have not been audited

| | Note | <u>2012</u> CURRENT QUARTER ENDED 31 March RM'000 | <u>2011</u> CURRENT QUARTER ENDED 31 March RM'000 | <u>2012</u> 3 MONTHS CUMULATIVE TO DATE RM'000 | <u>2011</u> 3 MONTHS CUMULATIVE TO DATE RM'000 |
|--|-------|---|---|--|--|
| Revenue | 9 | 61,794 | 58,672 | 61,794 | 58,672 |
| Cost of sales | | (40,365) | (40,101) | (40,365) | (40,101) |
| Gross profit | | 21,429 | 18,571 | 21,429 | 18,571 |
| Other income | | 870 | 632 | 870 | 632 |
| Administrative expenses | | (4,599) | (4,296) | (4,599) | (4,296) |
| Selling and marketing expenses | | (6,944) | (6,115) | (6,944) | (6,115) |
| Operating profit | | 10,756 | 8,792 | 10,756 | 8,792 |
| Finance cost | | - | - | - | - |
| Profit before tax | 10 | 10,756 | 8,792 | 10,756 | 8,792 |
| Income tax expense | 21 | (2,738) | (2,246) | (2,738) | (2,246) |
| Profit for the period | | 8,018 | 6,546 | 8,018 | 6,546 |
| Other comprehensive income : | | | | | |
| Other comprehensive income for the period, net of tax | | - | - | - | - |
| Total comprehensive income for the period, net of tax | | 8,018 | 6,546 | 8,018 | 6,546 |
| Profit attributable to : | | | | | |
| Owners of the Parent | | 8,018 | 6,546 | 8,018 | 6,546 |
| Total Comprehensive Income for the period, net of tax attributable to : | | | | | |
| Owners of the Parent | | 8,018 | 6,546 | 8,018 | 6,546 |
| Earnings per share attributable to Owners of the Parent (sen) : | | | | | |
| -Basic | 31(a) | 6.68 | 5.46 | 6.68 | 5.46 |
| -Diluted | 31(b) | 6.68 | 5.46 | 6.68 | 5.46 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Financial Position****As at 31 March 2012****The figures have not been audited**

| | Note | As at 31/03/2012 RM'000 | As at 31/12/2011 RM'000 (restated) | As at 01/01/2011 RM'000 (restated) |
|---|------|-------------------------------|---|---|
| ASSETS: | | | | |
| Non-current assets: | | | | |
| Property, Plant and Equipment | | 68,029 | 68,492 | 68,574 |
| Investment property | | 270 | 271 | 1,849 |
| Goodwill on consolidation | | - | - | 8,909 |
| Deferred tax assets | | 188 | 198 | 172 |
| <i>Sub total</i> | | 68,487 | 68,961 | 79,504 |
| Current assets: | | | | |
| Inventories | | 20,504 | 22,393 | 25,406 |
| Trade and other receivables | | 33,561 | 36,182 | 33,364 |
| Prepayments | | 835 | 409 | 607 |
| Tax recoverable | | 1,126 | 2,014 | 1,536 |
| Cash and cash equivalents | 11 | 74,999 | 73,855 | 53,696 |
| <i>Sub total</i> | | 131,025 | 134,853 | 114,609 |
| TOTAL ASSETS | | 199,512 | 203,814 | 194,113 |
| EQUITY AND LIABILITIES: | | | | |
| Equity attributable to Owners of the Company : | | | | |
| Share capital | | 60,000 | 60,000 | 60,000 |
| Share premium | | 14,333 | 14,333 | 14,333 |
| Retained earnings | | 68,786 | 72,768 | 72,165 |
| TOTAL EQUITY <i>Sub total</i> | | 143,119 | 147,101 | 146,498 |
| Non-current liabilities : | | | | |
| Deferred tax liabilities | | 8,236 | 8,192 | 8,551 |
| <i>Sub total</i> | | 8,236 | 8,192 | 8,551 |
| Current liabilities: | | | | |
| Trade and other payables | | 32,377 | 39,224 | 35,818 |
| Income tax payable | | 3,780 | 3,297 | 3,246 |
| Dividends payable | | 12,000 | 6,000 | - |
| <i>Sub total</i> | | 48,157 | 48,521 | 39,064 |
| TOTAL LIABILITIES | | 56,393 | 56,713 | 47,615 |
| TOTAL EQUITY AND LIABILITIES | | 199,512 | 203,814 | 194,113 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with 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 31 March 2012**

| | Attributable to owners of the parent | | | |
|---|--------------------------------------|-------------------------|-----------------------------|-----------------|
| | Non-distributable | | Distributable | Total RM'000 |
| | Share capital RM'000 | Share premium RM'000 | Retained earnings RM'000 | |
| Opening balance at 1 January 2012 | 60,000 | 14,333 | 72,768 | 147,101 |
| Total comprehensive income for the period | - | - | 8,018 | 8,018 |
| Transaction with the owners | | | | |
| Dividends on ordinary shares | - | - | (12,000) | (12,000) |
| Total transaction with the owners | - | - | (12,000) | (12,000) |
| | | | | |
| Closing balance at 31 March 2012 | 60,000 | 14,333 | 68,786 | 143,119 |

For the corresponding quarter ended 31 March 2011

| | Attributable to owners of the parent | | | |
|---|--------------------------------------|-------------------------|-----------------------------|-----------------|
| | Non-distributable | | Distributable | Total RM'000 |
| | Share capital RM'000 | Share premium RM'000 | Retained earnings RM'000 | |
| Opening balance at 1 January 2011 | 60,000 | 14,333 | 72,165 | 146,498 |
| Total comprehensive income for the period | - | - | 6,546 | 6,546 |
| | | | | |
| Closing balance at 31 March 2011 | 60,000 | 14,333 | 78,711 | 153,044 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with 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 31 March 2012****The figures have not been audited**

| | Note | <u>2012</u> 3months ended 31/03/2012 RM'000 | <u>2011</u> 3 months ended 31/03/2011 RM'000 |
|---|------|--|---|
| Cash flows from operating activities: | | | |
| Profit before tax | | 10,756 | 8,792 |
| Adjustments for: | | | |
| Allowance for doubtful debts | | 18 | 18 |
| Bad debts written off | | - | 2 |
| Depreciation of property, plant and equipment | | 1,006 | 953 |
| Depreciation of investment property | | 1 | 1 |
| (Gain)/ Loss on disposal of property, plant and equipment | | (75) | 6 |
| Interest income | | (566) | (419) |
| Inventories written off | | 47 | - |
| Property, plant and equipment written off | | 3 | 43 |
| Total adjustments | | 434 | 604 |
| Operating profit before changes in working capital | | 11,190 | 9,396 |
| Changes in working capital | | | |
| Decrease in inventories | | 1,842 | 2,432 |
| Decrease in trade and other receivables | | 2,603 | 359 |
| (Increase) / Decrease in prepayments | | (426) | 28 |
| Decrease in trade and other payables | | (6,847) | (6,132) |
| Total changes in working capital | | (2,828) | (3,313) |
| Cash flows from operations | | 8,362 | 6,083 |
| Taxes paid | | (1,313) | (1,873) |
| Net cash flows from operating activities | | 7,049 | 4,210 |
| Cash flows from investing activities | | | |
| Interest received | | 566 | 419 |
| Proceeds from disposal of property, plant and equipment | | 192 | 5 |
| Purchase of property, plant and equipment | | (663) | (322) |
| Net cash from investing activities | | 95 | 102 |
| Cash flows from financing activities | | | |
| Dividends paid on ordinary shares | | (6,000) | - |
| Net cash used in financing activities | | (6,000) | - |
| Net increase in cash and cash equivalents | | 1,144 | 4,312 |
| Cash and cash equivalents at beginning of financial period | | 73,855 | 53,696 |
| Cash and cash equivalents at end of financial period | 11 | 74,999 | 58,008 |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)