

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 June 2012

The figures have not been audited

	Note	<u>2012</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2011</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2012</u> 6 MONTHS CUMULATIVE TO DATE RM'000	<u>2011</u> 6 MONTHS CUMULATIVE TO DATE RM'000
Revenue	9	66,016	63,332	127,810	122,004
Cost of sales		(41,748)	(42,246)	(82,113)	(82,347)
Gross profit		24,268	21,086	45,697	39,657
Other income		746	734	1,616	1,366
Administrative expenses		(4,282)	(4,288)	(8,881)	(8,584)
Selling and marketing expenses		(7,897)	(6,909)	(14,841)	(13,024)
Operating profit		12,835	10,623	23,591	19,415
Finance cost		-	-	-	-
Profit before tax	10	12,835	10,623	23,591	19,415
Income tax expense	21	(3,674)	(2,496)	(6,412)	(4,742)
Profit for the period		9,161	8,127	17,179	14,673
Other comprehensive income :					
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period, net of tax		9,161	8,127	17,179	14,673
Profit attributable to :					
Owners of the Parent		9,161	8,127	17,179	14,673
Total Comprehensive Income for the period, net of tax attributable to :					
Owners of the Parent		9,161	8,127	17,179	14,673
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic	31(a)	7.63	6.77	14.32	12.23
-Diluted	31(b)	7.63	6.77	14.32	12.23

(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 30 June 2012****The figures have not been audited**

	Note	As at 30/06/2012 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		68,993	68,492	68,574
Investment property		270	271	1,849
Goodwill on consolidation		-	-	8,909
Deferred tax assets		231	198	172
<i>Sub total</i>		69,494	68,961	79,504
Current assets:				
Inventories		21,407	22,393	25,406
Trade and other receivables		37,988	36,182	33,364
Prepayments		527	409	607
Tax recoverable		826	2,014	1,536
Cash and cash equivalents	11	72,418	73,855	53,696
<i>Sub total</i>		133,166	134,853	114,609
TOTAL ASSETS		202,660	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		77,947	72,768	72,165
TOTAL EQUITY		152,280	147,101	146,498
Non-current liabilities :				
Deferred tax liabilities		8,338	8,192	8,551
<i>Sub total</i>		8,338	8,192	8,551
Current liabilities:				
Trade and other payables		36,889	39,224	35,818
Income tax payable		5,153	3,297	3,246
Dividends payable		-	6,000	-
<i>Sub total</i>		42,042	48,521	39,064
TOTAL LIABILITIES		50,380	56,713	47,615
TOTAL EQUITY AND LIABILITIES		202,660	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 cumulative period ended 30 June 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	-	-	17,179	17,179
Transaction with the owners				
Dividends on ordinary shares	-	-	(12,000)	(12,000)
Total transaction with the owners	-	-	(12,000)	(12,000)
Closing balance at 30 June 2012	60,000	14,333	77,947	152,280

For the corresponding cumulative period ended 30 June 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	-	-	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	14,333	80,838	155,171

(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 30 June 2012****The figures have not been audited**

	Note	2012 6 months ended 30/06/2012 RM'000	2011 6 months ended 30/06/2011 RM'000
Cash flows from operating activities:			
Profit before tax		23,591	19,415
Adjustments for:			
Allowance for doubtful debts		19	68
Bad debts written off		6	15
Depreciation of property, plant and equipment		2,054	2,040
Depreciation of investment property		1	1
Gain on disposal of property, plant and equipment		(15)	(135)
Interest income		(1,132)	(880)
Reversal of inventories written down		-	(85)
Inventories written off		52	102
Property, plant and equipment written off		9	79
Total adjustments		994	1,205
Operating profit before changes in working capital		24,585	20,620
Changes in working capital			
Decrease in inventories		934	1,301
Increase in trade and other receivables		(1,831)	(2,992)
(Increase) / Decrease in prepayments		(118)	75
(Decrease)/ Increase in trade and other payables		(2,335)	134
Total changes in working capital		(3,350)	(1,482)
Cash flows from operations		21,235	19,138
Taxes paid		(3,256)	(5,762)
Net cash flows from operating activities		17,979	13,376
Cash flows from investing activities			
Interest received		1,132	880
Proceeds from disposal of property, plant and equipment		251	2,014
Purchase of property, plant and equipment		(2,799)	(4,358)
Net cash from investing activities		(1,416)	(1,464)
Cash flows from financing activities			
Dividends paid on ordinary shares		(18,000)	(6,000)
Net cash used in financing activities		(18,000)	(6,000)
Net (decrease)/ increase in cash and cash equivalents		(1,437)	5,912
Cash and cash equivalents at beginning of financial period		73,855	53,696
Cash and cash equivalents at end of financial period	11	72,418	59,608

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