

**HUP SENG INDUSTRIES BERHAD (226098-P)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Statement of Comprehensive Income**

**For the period ended 30 September 2012**

**The figures have not been audited**

	Note	<u>2012</u> CURRENT QUARTER ENDED 30 September RM'000	<u>2011</u> CURRENT QUARTER ENDED 30 September RM'000	<u>2012</u> 9 MONTHS CUMULATIVE TO DATE RM'000	<u>2011</u> 9 MONTHS CUMULATIVE TO DATE RM'000
Revenue	9	56,864	53,238	184,674	175,242
Cost of sales		(37,068)	(36,464)	(119,181)	(118,811)
<b>Gross profit</b>		19,796	16,774	65,493	56,431
Other income		854	846	2,470	2,212
Administrative expenses		(4,267)	(13,116)	(13,148)	(21,700)
Selling and marketing expenses		(6,903)	(6,400)	(21,744)	(19,424)
<b>Operating profit/(loss)</b>		9,480	(1,896)	33,071	17,519
Finance cost		-	-	-	-
<b>Profit/(loss) before tax</b>	10	<b>9,480</b>	<b>(1,896)</b>	<b>33,071</b>	<b>17,519</b>
Income tax expense	21	(2,553)	(1,749)	(8,965)	(6,491)
<b>Profit/(loss) for the period</b>		<b>6,927</b>	<b>(3,645)</b>	<b>24,106</b>	<b>11,028</b>
<b>Other comprehensive income :</b>					
Transfer to profit or loss upon disposal of property		-	(76)	-	(76)
Income tax relating to component of other comprehensive income		-	19	-	19
<b>Other comprehensive income for the period, net of tax</b>		-	(57)	-	(57)
<b>Total comprehensive income for the period, net of tax</b>		<b>6,927</b>	<b>(3,702)</b>	<b>24,106</b>	<b>10,971</b>
Profit/ (loss) attributable to :					
Owners of the Parent		6,927	(3,645)	24,106	11,028
Total Comprehensive Income for the period, net of tax attributable to :					
Owners of the Parent		6,927	(3,702)	24,106	10,971
Earnings/(loss) per share attributable to Owners of the Parent (sen) :					
-Basic	31(a)	5.77	(3.04)	20.09	9.19
-Diluted	31(b)	5.77	(3.04)	20.09	9.19

*( 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 September 2012****The figures have not been audited**

	Note	As at 30/09/2012 RM'000	As at 31/12/2011 RM'000 (restated)	As at 01/01/2011 RM'000 (restated)
<b>ASSETS:</b>				
<b>Non-current assets:</b>				
Property, Plant and Equipment		68,210	68,492	68,574
Investment property		269	271	1,849
Goodwill on consolidation		-	-	8,909
Deferred tax assets		39	198	172
<i>Sub total</i>		68,518	68,961	79,504
<b>Current assets:</b>				
Inventories		21,797	22,393	25,406
Trade and other receivables		44,429	36,182	33,364
Prepayments		698	409	607
Tax recoverable		778	2,014	1,536
Cash and cash equivalents	11	69,053	73,855	53,696
<i>Sub total</i>		136,755	134,853	114,609
<b>TOTAL ASSETS</b>		<b>205,273</b>	<b>203,814</b>	<b>194,113</b>
<b>EQUITY AND LIABILITIES:</b>				
<b>Equity attributable to Owners of the Company :</b>				
Share capital		60,000	60,000	60,000
Share premium		14,333	14,333	14,333
Retained earnings		70,474	72,768	72,165
<b>TOTAL EQUITY</b> <i>Sub total</i>		<b>144,807</b>	<b>147,101</b>	<b>146,498</b>
<b>Non-current liabilities :</b>				
Deferred tax liabilities		8,232	8,192	8,551
<i>Sub total</i>		8,232	8,192	8,551
<b>Current liabilities:</b>				
Trade and other payables		33,532	39,224	35,818
Income tax payable		4,302	3,297	3,246
Dividends payable		14,400	6,000	-
<i>Sub total</i>		52,234	48,521	39,064
<b>TOTAL LIABILITIES</b>		<b>60,466</b>	<b>56,713</b>	<b>47,615</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>205,273</b>	<b>203,814</b>	<b>194,113</b>

( 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 September 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	
<b>Opening balance at 1 January 2012</b>	60,000	14,333	72,768	147,101
Total comprehensive income for the period	-	-	24,106	24,106
Transaction with the owners				
Dividends on ordinary shares	-	-	(26,400)	(26,400)
Total transaction with the owners	-	-	(26,400)	(26,400)
<b>Closing balance at 30 September 2012</b>	<b>60,000</b>	<b>14,333</b>	<b>70,474</b>	<b>144,807</b>

**For the corresponding cumulative period ended 30 September 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	
<b>Opening balance at 1 January 2011</b>	60,000	14,333	72,165	146,498
Total comprehensive income for the period	-	-	10,971	10,971
Transaction with the owners				
Dividends on ordinary share	-	-	(6,000)	(6,000)
Total transaction with the owners	-	-	(6,000)	(6,000)
<b>Closing balance at 30 September 2011</b>	<b>60,000</b>	<b>14,333</b>	<b>77,136</b>	<b>151,469</b>

*( 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 September 2012****The figures have not been audited**

	Note	<b>2012</b> 9 months ended 30/09/2012 RM'000	<b>2011</b> 9 months ended 30/09/2011 RM'000
<b>Cash flows from operating activities:</b>			
<b>Profit before tax</b>		<b>33,071</b>	<b>17,519</b>
Adjustments for:			
Allowance for doubtful debts		55	79
Bad debts written off		7	17
Depreciation of property, plant and equipment		3,112	3,144
Depreciation of investment property		2	3
Gain on disposal of property, plant and equipment		(8)	(197)
Interest income		(1,778)	(1,418)
Impairment loss on goodwill		-	8,909
Reversal of inventories written down		-	(85)
Inventories written off		56	168
Property, plant and equipment written off		46	91
Total adjustments		1,492	10,711
Operating profit before changes in working capital		34,563	28,230
Changes in working capital			
Decrease in inventories		540	1,957
(Increase) / Decrease trade and other receivables		(8,309)	52
(Increase) / Decrease in prepayments		(289)	2,481
Decrease in trade and other payables		(5,692)	(4,402)
Total changes in working capital		(13,750)	88
Cash flows from operations		20,813	28,318
Taxes paid		(6,525)	(7,377)
<b>Net cash flows from operating activities</b>		<b>14,288</b>	<b>20,941</b>
<b>Cash flows from investing activities</b>			
Interest received		1,778	1,418
Proceeds from disposal of property, plant and equipment		369	2,934
Purchase of property, plant and equipment		(3,237)	(5,432)
<b>Net cash used in investing activities</b>		<b>(1,090)</b>	<b>(1,080)</b>
<b>Cash flows from financing activities</b>			
Dividends paid on ordinary shares		(18,000)	(6,000)
<b>Net cash used in financing activities</b>		<b>(18,000)</b>	<b>(6,000)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(4,802)</b>	<b>13,861</b>
<b>Cash and cash equivalents at beginning of financial period</b>		<b>73,855</b>	<b>53,696</b>
<b>Cash and cash equivalents at end of financial period</b>	11	<b>69,053</b>	<b>67,557</b>

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