

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Statement of Comprehensive Income**

**For the period ended 30 June 2014**

**The figures have not been audited**

	Note	<u>2014</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2013</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2014</u> 6 MONTHS CUMULATIVE TO DATE RM'000	<u>2013</u> 6 MONTHS CUMULATIVE TO DATE RM'000
Revenue		68,254	66,126	132,704	125,999
Cost of sales		(43,214)	(40,308)	(83,404)	(77,481)
<b>Gross profit</b>		<b>25,040</b>	<b>25,818</b>	<b>49,300</b>	<b>48,518</b>
Other income		864	800	1,714	1,705
Administrative expenses		(4,642)	(4,376)	(9,316)	(8,740)
Selling and marketing expenses		(7,978)	(7,649)	(15,354)	(14,748)
<b>Operating profit</b>		<b>13,284</b>	<b>14,593</b>	<b>26,344</b>	<b>26,735</b>
Finance cost		-	-	-	-
<b>Profit before tax</b>	10	<b>13,284</b>	<b>14,593</b>	<b>26,344</b>	<b>26,735</b>
Income tax expense	21	(3,544)	(3,887)	(7,046)	(7,125)
<b>Profit for the period</b>		<b>9,740</b>	<b>10,706</b>	<b>19,298</b>	<b>19,610</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>9,740</b>	<b>10,706</b>	<b>19,298</b>	<b>19,610</b>
Profit attributable to : Owners of the Parent		9,740	10,706	19,298	19,610
Total Comprehensive Income for the period, net of tax attributable to : Owners of the Parent		9,740	10,706	19,298	19,610
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic	31(a)	1.22	1.34	2.41	2.45
-Diluted	31(b)	1.22	1.34	2.41	2.45

*( 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 2014****The figures have not been audited**

	Note	As at 30/06/2014 RM'000	As at 31/12/2013 RM'000
<b><u>ASSETS:</u></b>			
<b>Non-current assets:</b>			
Property, Plant and Equipment		69,569	64,834
Investment property		215	217
Deferred tax assets		42	37
<i>Sub total</i>		69,826	65,088
<b>Current assets:</b>			
Inventories		21,551	20,818
Trade and other receivables		34,876	35,873
Prepayments		852	2,017
Tax recoverable		287	262
Cash and cash equivalents	11	85,013	81,145
<i>Sub total</i>		142,579	140,115
<b>TOTAL ASSETS</b>		<b>212,405</b>	<b>205,203</b>
<b><u>EQUITY AND LIABILITIES:</u></b>			
<b>Equity attributable to</b>			
<b>Owners of the Company :</b>			
Share capital		80,000	60,000
Share premium		-	14,333
Retained earnings		68,085	76,054
<b>TOTAL EQUITY</b>	<i>Sub total</i>	<b>148,085</b>	<b>150,387</b>
<b>Non-current liabilities :</b>			
Deferred tax liabilities		7,684	7,728
<i>Sub total</i>		7,684	7,728
<b>Current liabilities:</b>			
Trade and other payables		38,999	42,216
Income tax payable		5,637	4,872
Dividends payable		12,000	-
<i>Sub total</i>		56,636	47,088
<b>TOTAL LIABILITIES</b>		<b>64,320</b>	<b>54,816</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>212,405</b>	<b>205,203</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 period ended 30 June 2014**

	Attributable to owners of the parent			
	Non-distributable		Distributable	Total
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	
<b>Opening balance at 1 January 2014</b>	60,000	14,333	76,054	150,387
Total comprehensive income for the period	-	-	19,298	19,298
Transaction with the owners				
Dividends on ordinary shares	-	-	(21,600)	(21,600)
Total transaction with the owners	-	-	(21,600)	(21,600)
Capitalised for bonus issue	20,000	(14,333)	(5,667)	-
<b>Closing balance at 30 June 2014</b>	<b>80,000</b>	<b>-</b>	<b>68,085</b>	<b>148,085</b>

**For the corresponding period ended 30 June 2013**

	Attributable to owners of the parent			
	Non-distributable		Distributable	Total
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	
<b>Opening balance at 1 January 2013</b>	60,000	14,333	78,909	153,242
Total comprehensive income for the period	-	-	19,610	19,610
Transaction with the owners				
Dividends on ordinary share	-	-	(21,600)	(21,600)
Total transaction with the owners	-	-	(21,600)	(21,600)
<b>Closing balance at 30 June 2013</b>	<b>60,000</b>	<b>14,333</b>	<b>76,919</b>	<b>151,252</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 June 2014****The figures have not been audited**

	Note	<b>2014</b> <b>6 months</b> <b>ended</b> <b>30/06/2014</b> <b>RM'000</b>	<b>2013</b> <b>6 months</b> <b>ended</b> <b>30/06/2013</b> <b>RM'000</b>
<b>Cash flows from operating activities:</b>			
<b>Profit before tax</b>		<b>26,344</b>	<b>26,735</b>
Adjustments for:			
Allowance for doubtful debts		25	35
Bad debts written off		1	7
Depreciation of property, plant and equipment		2,343	2,145
Gain on disposal of property, plant and equipment		(21)	(2)
Interest income		(1,277)	(1,224)
(Reversal of) /impairment loss on property, plant and equipment		(42)	3
Inventories written off		9	8
Property, plant and equipment written off		315	21
Total adjustments		1,353	993
Operating profit before changes in working capital		27,697	27,728
Changes in working capital			
Increase in inventories		(742)	(184)
Decrease/ (increase) in trade and other receivables		971	(324)
Decrease in prepayments		1,165	187
Decrease in trade and other payables		(3,217)	(3,628)
Total changes in working capital		(1,823)	(3,949)
Cash flows from operations		25,874	23,779
Taxes paid		(6,355)	(3,672)
<b>Net cash flows from operating activities</b>		<b>19,519</b>	<b>20,107</b>
<b>Cash flows from investing activities</b>			
Interest received		1,277	1,224
Proceeds from disposal of property, plant and equipment		84	38
Purchase of property, plant and equipment		(7,412)	(1,465)
<b>Net cash used in investing activities</b>		<b>(6,051)</b>	<b>(203)</b>
<b>Cash flows from financing activities</b>			
Dividends paid on ordinary shares		(9,600)	(21,600)
<b>Net cash used in financing activities</b>		<b>(9,600)</b>	<b>(21,600)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,868</b>	<b>(1,696)</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>81,145</b>	<b>79,416</b>
<b>Cash and cash equivalents at end of financial period</b>	11	<b>85,013</b>	<b>77,720</b>

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