

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Comprehensive Income****For the period ended 30 September 2014****The figures have not been audited**

	Note	<u>2014</u> CURRENT QUARTER ENDED 30 September RM'000	<u>2013</u> CURRENT QUARTER ENDED 30 September RM'000	<u>2014</u> 9 MONTHS CUMULATIVE TO DATE RM'000	<u>2013</u> 9 MONTHS CUMULATIVE TO DATE RM'000
Revenue		55,868	58,716	188,572	184,715
Cost of sales		(36,518)	(37,226)	(119,922)	(114,707)
Gross profit		19,350	21,490	68,650	70,008
Other income		798	800	2,512	2,505
Administrative expenses		(4,629)	(4,228)	(13,945)	(12,968)
Selling and marketing expenses		(6,880)	(7,482)	(22,234)	(22,230)
Operating profit		8,639	10,580	34,983	37,315
Finance cost		-	-	-	-
Profit before tax	10	8,639	10,580	34,983	37,315
Income tax expense	21	(2,386)	(2,797)	(9,432)	(9,922)
Profit for the period		6,253	7,783	25,551	27,393
Total comprehensive income for the period, net of tax		6,253	7,783	25,551	27,393
Profit attributable to : Owners of the Parent		6,253	7,783	25,551	27,393
Total Comprehensive Income for the period, net of tax attributable to : Owners of the Parent		6,253	7,783	25,551	27,393
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic	31(a)	0.78	0.97	3.19	3.42
-Diluted	31(b)	0.78	0.97	3.19	3.42

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

	Note	As at 30/09/2014 RM'000	As at 31/12/2013 RM'000
<u>ASSETS:</u>			
Non-current assets:			
Property, Plant and Equipment		69,006	64,834
Investment property		215	217
Deferred tax assets		68	37
<i>Sub total</i>		69,289	65,088
Current assets:			
Inventories		21,241	20,818
Trade and other receivables		28,227	35,873
Prepayments		701	2,017
Tax recoverable		-	262
Cash and cash equivalents	11	82,634	81,145
<i>Sub total</i>		132,803	140,115
TOTAL ASSETS		202,092	205,203
<u>EQUITY AND LIABILITIES:</u>			
Equity attributable to			
Owners of the Company :			
Share capital		80,000	60,000
Share premium		-	14,333
Retained earnings		74,338	76,054
TOTAL EQUITY	<i>Sub total</i>	154,338	150,387
Non-current liabilities :			
Deferred tax liabilities		7,590	7,728
<i>Sub total</i>		7,590	7,728
Current liabilities:			
Trade and other payables		36,199	42,216
Income tax payable		3,965	4,872
<i>Sub total</i>		40,164	47,088
TOTAL LIABILITIES		47,754	54,816
TOTAL EQUITY AND LIABILITIES		202,092	205,203

(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 September 2014**

	Attributable to owners of the parent			
	Non-distributable		Distributable	Total
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	
Opening balance at 1 January 2014	60,000	14,333	76,054	150,387
Total comprehensive income for the period	-	-	25,551	25,551
Transaction with the owners				
Capitalised for bonus issue	20,000	(14,333)	(5,667)	-
Dividends on ordinary shares	-	-	(21,600)	(21,600)
Total transaction with the owners	20,000	(14,333)	(27,267)	(21,600)
Closing balance at 30 September 2014	80,000	-	74,338	154,338

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

	Attributable to owners of the parent			
	Non-distributable		Distributable	Total
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	
Opening balance at 1 January 2013	60,000	14,333	78,909	153,242
Total comprehensive income for the period	-	-	27,393	27,393
Transaction with the owners				
Dividends on ordinary share			(39,600)	(39,600)
Total transaction with the owners	-	-	(39,600)	(39,600)
Closing balance at 30 September 2013	60,000	14,333	66,702	141,035

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

	Note	2014 9 months ended 30/09/2014 RM'000	2013 9 months ended 30/09/2013 RM'000
Cash flows from operating activities:			
Profit before tax		34,983	37,315
Adjustments for:			
Allowance for doubtful debts		46	26
Bad debts written off		3	31
Depreciation of property, plant and equipment		3,557	3,276
Gain on disposal of property, plant and equipment		(21)	(9)
Interest income		(1,939)	(1,885)
Reversal of impairment loss on property, plant and equipment		(42)	-
Inventories written off		18	13
Property, plant and equipment written off		353	32
Total adjustments		1,975	1,484
Operating profit before changes in working capital		36,958	38,799
Changes in working capital			
Increase in inventories		(441)	(684)
Decrease in trade and other receivables		7,597	2,637
Decrease in prepayments		1,316	133
Decrease in trade and other payables		(6,017)	(4,286)
Total changes in working capital		2,455	(2,200)
Cash flows from operations		39,413	36,599
Taxes paid		(10,246)	(8,629)
Net cash flows from operating activities		29,167	27,970
Cash flows from investing activities			
Interest received		1,939	1,885
Proceeds from disposal of property, plant and equipment		86	88
Purchase of property, plant and equipment		(8,103)	(2,208)
Net cash used in investing activities		(6,078)	(235)
Cash flows from financing activities			
Dividends paid on ordinary shares		(21,600)	(21,600)
Net cash used in financing activities		(21,600)	(21,600)
Net increase in cash and cash equivalents		1,489	6,135
Cash and cash equivalents at beginning of financial year		81,145	79,416
Cash and cash equivalents at end of financial period	11	82,634	85,551

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