

HAI SAN RESOURCES BERHAD
Company No. 502213-D

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR SECOND QUARTER ENDED 30 JUNE 2009

	SECOND QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/06/2009 RM'000	Preceding year corresponding quarter 30/06/2008 RM'000	Current year to date 30/06/2009 RM'000	Preceding year corresponding period 30/06/2008 RM'000
Revenue	22,227	26,725	44,858	52,300
Operating expenses	(21,349)	(23,408)	(43,138)	(44,779)
Other operating income	29	1,074	566	1,787
	<u>907</u>	<u>4,391</u>	<u>2,286</u>	<u>9,308</u>
Finance costs	(3,385)	(3,851)	(7,748)	(7,278)
Share of loss of associate	<u>(9)</u>	<u>(19)</u>	<u>(20)</u>	<u>(19)</u>
(Loss) / Profit before tax	(2,487)	521	(5,482)	2,011
Taxation	(527)	(472)	(914)	(816)
(Loss) / Profit for the period	<u><u>(3,014)</u></u>	<u><u>49</u></u>	<u><u>(6,396)</u></u>	<u><u>1,195</u></u>
Attributable to:				
Equity holders of the Company	(3,333)	(838)	(7,233)	(879)
Minority interest	319	887	837	2,074
Net (loss) / profit for the period	<u><u>(3,014)</u></u>	<u><u>49</u></u>	<u><u>(6,396)</u></u>	<u><u>1,195</u></u>
(Loss) / Earning per share attributable to equity holders of the Company				
- basic (sen)	<u><u>(4.14)</u></u>	<u><u>(1.04)</u></u>	<u><u>(8.98)</u></u>	<u><u>(1.09)</u></u>
- diluted (sen)	<u><u>*</u></u>	<u><u>*</u></u>	<u><u>*</u></u>	<u><u>*</u></u>

* No diluted EPS is disclosed as the effect is anti-dilutive

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009

	AS AT END OF CURRENT QUARTER (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR END (Audited) RM'000
ASSETS		
<u>Non-current Assets</u>		
Property, plant and equipment	180,351	182,372
Prepaid lease payments for land	40,526	40,653
Intangible assets	10,283	10,496
Investment in an associate	129	149
Other investments	4,012	4,012
	235,301	237,682
<u>Current Assets</u>		
Inventories	7,391	7,492
Trade receivables	21,612	24,756
Other receivables, deposits and prepayments	13,675	13,779
Amount owing by associate company	57	0
Fixed deposit with licensed bank	1,125	260
Cash & bank balances	4,741	3,977
	48,601	50,264
Non-current assets held for sale	18,000	18,000
Total Assets	301,902	305,946
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	44,073	44,073
Treasury shares	(6,984)	(6,984)
Reserves	16,476	23,991
	53,565	61,080
Minority Interest	17,486	16,654
Total Equity	71,051	77,734
<u>Non-current Liabilities</u>		
Borrowings	110,657	112,123
Deferred tax liabilities	9,110	8,804
	119,767	120,927
<u>Current Liabilities</u>		
Trade payables	13,362	10,808
Other payables & accruals	28,479	17,654
Amount owing to associated company	0	8
Borrowings	68,676	77,940
Current tax payable	567	875
	111,084	107,285
Total Liabilities	230,851	228,212
Total Equity and Liabilities	301,902	305,946
Net assets per share attributable to equity holders of the Company (RM) (*)	0.67	0.76

* - The net assets per share is based on the computation of total assets (including intangibles) minus liabilities divided by total number of shares in circulation

(The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009

	6 months ended	
	30 June 2009 RM'000	30 June 2008 RM'000
Profit before tax	(5,482)	2,011
Adjustments:		
Non cash items	7,377	4,205
Interest income	1,313	(336)
Interest expenses	7,748	7,278
Operating profit before changes in working capital	<u>10,956</u>	<u>13,158</u>
Net change in current assets	28	6,247
Net change in current liabilities	13,370	(3,003)
Cash generated from operations	<u>24,354</u>	<u>16,402</u>
Tax refund	1,476	0
Tax paid	(804)	(2,084)
Interest expenses	(7,748)	(7,278)
Interest income	(1,313)	336
Net cash from operating activities	<u>15,965</u>	<u>7,376</u>
Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(2,094)	(13,963)
Purchase of prepaid lease payments for land	(276)	(342)
Purchase of intangible asset	(78)	0
Proceeds from disposal of property, plant and equipment	430	76
Proceeds from disposal of prepaid lease payments for land	0	
Acquisition of additional shares in subsidiary	0	
Additional investment in subsidiary company	0	(4,718)
Net cash used in investing activities	<u>(2,018)</u>	<u>(18,947)</u>
Cash Flow from Financing Activities		
Repayments of long term loan	1,057	(4,576)
Dividend paid to shareholders	(777)	-
Proceeds from the issuance of shares	0	4,148
Withdrawal of deposits pledged	(1)	
Deposits pledged	0	96
Bank borrowings	60	(8,024)
Proceeds from bank borrowings	1,184	8,802
Repayments of revolving credits	(2,351)	
Repayments of bankers' acceptances	(2,121)	
Repayments of hire purchase and lease creditors	(1,012)	(1,130)
Net cash from financing activities	<u>(3,961)</u>	<u>(684)</u>
Net change in cash and cash equivalents	9,986	(12,255)
Effects of foreign exchange differences	(277)	842
Cash & cash equivalents at beginning of financial period/year	<u>(42,212)</u>	<u>(24,677)</u>
Cash & cash equivalents at end of financial period	<u>(32,503)</u>	<u>(36,090)</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Bank overdrafts	(38,129)	(55,793)
Deposits with licensed banks	1,125	18,817
Cash and bank balances	4,741	1,621
	<u>(32,263)</u>	<u>(35,355)</u>
Less: Deposits with licensed banks (pledged)	<u>(240)</u>	<u>(735)</u>
	<u>(32,503)</u>	<u>(36,090)</u>

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2009

	← Attributable to Equity Holders of the Parent →						Total RM'000	Minority interest RM'000	Total Equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Retained profits RM'000			
6 months ended 30 June 2009									
Balance as at 1 January 2009	44,073	(6,984)	2,594	2,610	4,840	13,947	61,080	16,654	77,734
Currency translation differences	-	-	-	-	490	-	490	-	490
Revaluation of land and buildings	-	-	-	(146)	-	151	5	(5)	(0)
Dividends paid to minority interest of a subsidiary	-	-	-	0	0	(777)	(777)	-	(777)
<i>Net income recognised directly in equity</i>	-	-	-	(146)	490	(626)	(282)	(5)	(287)
Profit for the period	-	-	-	-	-	(7,233)	(7,233)	837	(6,396)
<i>Total recognised income and expense for the period</i>	-	-	-	(146)	490	(7,859)	(7,515)	832	(6,683)
Balance as at 30 June 2009	44,073	(6,984)	2,594	2,464	5,330	6,088	53,565	17,486	71,051
6 months ended 30 June 2008									
Balance as at 1 January 2008	44,073	(6,984)	2,594	5,047	75	24,965	69,770	13,378	83,148
Currency translation differences	-	-	-	-	1,861	-	1,861	-	1,861
Acquisition of subsidiaries	-	-	-	-	-	-	-	(724)	(724)
Revaluation of land and buildings	-	-	-	(1,951)	-	93	(1,858)	-	(1,858)
<i>(Expense)/Income recognised directly in equity</i>	-	-	-	(1,951)	1,861	93	3	(724)	(721)
Profit for the financial year	-	-	-	-	-	(879)	(879)	2,074	1,195
<i>Total recognised income and expense for the period</i>	-	-	-	(1,951)	1,861	(786)	(876)	1,350	474
Balance as at 30 June 2008	44,073	(6,984)	2,594	3,096	1,936	24,179	68,894	14,728	83,622

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)