

**HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)**  
**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2005**

**Unaudited Condensed Consolidated Cash Flow Statement**

	<b>12 months ended 31-Dec-05 (RM'000)</b>	<b>12 months ended 31-Dec-04 (RM'000)</b>
Net profit / (loss) before tax	(18,975)	(10,894)
Adjustment for non-cash items:-		
Non-cash items	3,449	3,546
Non-operating items	2,291	4,674
Operating profit / (loss) before changes in working capital	<u>(13,235)</u>	<u>(2,674)</u>
Changes in working capital:-		
Net change in current assets	16,872	(1,372)
Net change in current liabilities	1,575	(4,550)
Tax paid	(16)	-
	<u>18,431</u>	<u>(5,922)</u>
Net cash flows from operating activities	<u>5,196</u>	<u>(8,596)</u>
Investment Activities		
Equity investments	-	-
Other investments	(1,213)	(905)
	<u>(1,213)</u>	<u>(905)</u>
Financing Activities		
Transactions with owner as owner	-	24,166
Bank borrowings	(3,213)	(12,077)
Debts securities issued	-	-
	<u>(3,213)</u>	<u>12,089</u>
Net Change in Cash & Cash Equivalents	770	2,588
Cash & Cash Equivalents at beginning of period	<u>(1,080)</u>	<u>(3,668)</u>
Cash & Cash Equivalents at end of period	<u>(310)</u>	<u>(1,080)</u>

(The Condensed Consolidated Financial Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004)