

HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)
INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

Condensed Consolidated Statement of Changes in Equity
for The Year Ended 31 December 2006

| | <-----Attributable to Equity Holders of the Parent-----> | | | | Minority | Total Equity | |
|-------------------------------------|--|----------------------------|-----------------------------|--------------------------------|-----------------|--------------|----------|
| | <-----Non-Distributable-----> | | (Distributable) | | | | |
| | Share Capital RM'000 | Share Premium RM'000 | Other Reserves RM'000 | Retained Earnings RM'000 | Total RM'000 | RM'000 | RM'000 |
| At 1 January 2006 | | | | | | | |
| as previously stated | 40,042 | - | 8 | (26,076) | 13,974 | - | 13,974 |
| Prior year adjustments (note 2(e)) | | | | (382) | (382) | | (382) |
| At 1 January 2006 (restated) | 40,042 | - | 8 | (26,458) | 13,592 | - | 13,592 |
| Profit for the year | | | | 2,125 | 2,125 | | 2,125 |
| As 31 December 2006 | 40,042 | - | 8 | (24,333) | 15,717 | - | 15,717 |
| At 1 January 2005 | | | | | | | |
| as previously stated | 40,042 | - | 8 | (7,070) | 32,980 | - | 32,980 |
| Prior year adjustments (note 2(e)) | | | | (233) | (233) | | (233) |
| At 1 January 2005 (restated) | 40,042 | - | 8 | (7,303) | 32,747 | - | 32,747 |
| Loss for the year | | | | (19,155) | (19,155) | | (19,155) |
| As 31 December 2005 | 40,042 | - | 8 | (26,458) | 13,592 | - | 13,592 |

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.)