HWA TAI INDUSTRIES BERHAD (Company No. 19688-V) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2007

Condensed Consolidated Income Statements

		al Quarter	Cumulativ	e Ouarter
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 June 2007 (RM'000)	30 June 2006 (RM'000)	30 June 2007 (RM'000)	30 June 2006 (RM'000)
Revenue	17,233	16,606	35,081	34,010
Operating Expenses	(17,525)	(16,230)	(35,229)	(33,278)
Other Operating Income	448	216	639	447
Finance Cost	(320)	(327)	(614)	(653)
Investing Results	- 1	-	-	-
Profit/(Loss) before tax	(164)	265	(123)	526
Taxation	-	-	-	-
Profit/(Loss) for the period	(164)	265	(123)	526
Attributable to: Equity holders of the Company Minority Interest	(164)	265	(123)	526
	(164)	265	(123)	526
Earnings/(Loss) Per Share Basic (sen) Diluted (sen)	(0.41) N/A	0.66 N/A	(0.31) N/A	1.31 N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

HWA TAI INDUSTRIES BERHAD (Company No. 19688-V) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2007

Condensed Consolidated Balance Sheet

	As at 30 June 2007	As at 31 December 2006
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,525	22,948
Prepaid interest in leased land	1,332	-
Investment properties	5,962	5,853
	27,819	28,801
Current assets		
Inventories	5,620	4.400
Trade receivables	25,806	4,408
Other receivables	5,086	20,486
Cash and bank balances	1,050	2,193 518
Cush and bank balances	37,562	27,605
TOTAL ASSETS	65,381	56,406
		50,100
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	40,042	40,042
Other reserves	8	8
Retained earnings	(24,456)	(24,333)
	15,594	15,717
Minority interest		-
Total equity	15,594	15,717
Non-current liabilities		
Borrowings	423	719
Deferred tax liabilities	664	664
	1,087	1,383
Current liabilities		1,303
Provisions	718	821
Borrowings	21,916	18,112
Trade payables	18,352	16,396
Other payables	7,556	3,819
Tax provision	158	158
-	48,700	39,306
Total liabilities	49,787	40,689
TOTAL EQUITY AND LIABILITIES	65,381	56,406
Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (Sen)	38.94	39.25

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

HWA TAI INDUSTRIES BERHAD (Company No. 19688-V) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2007

Condensed Consolidated Cash Flow Statement

Net profit before tax (123) 526 Adjustment for non-cash items:- Non-cash items 1,213 1,348 Non-operating items - - Operating profit before changes in working capital:- Net change in current assets (9,425) (2,297) Net change in current liabilities 5,590 1,121 Tax paid - - Tax paid - - Net cash flows from operating activities (2,745) 698 Investment Activities (231) 42 Other investments (231) 42 Financing Activities 3,164 (765) Bank borrowings 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (1,294) (1,294) (1,924)		6 months ended 30 June 2007 (RM'000)	6 months ended 30 June 2006 (RM'000)
Non-cash items 1,213 1,348 Non-operating items 1,090 1,874 Changes in working capital:- Very change in current assets (9,425) (2,297) Net change in current liabilities 5,590 1,121 Tax paid - - Net cash flows from operating activities (2,745) 698 Investment Activities (231) 42 Other investments (231) 42 Financing Activities 3,164 (765) Bank borrowings 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)	Net profit before tax	(123)	526
Non-operating items			
Operating profit before changes in working capital : 1,090 1,874 Changes in working capital:- (9,425) (2,297) Net change in current liabilities 5,590 1,121 Tax paid	•	1,213	1,348
Changes in working capital:- Net change in current assets (9,425) (2,297) Net change in current liabilities 5,590 1,121 Tax paid (3,835) (1,176) Net cash flows from operating activities (2,745) 698 (3,835) (1,176) Investment Activities Other investments (231) 42 (231) 42 Financing Activities Bank borrowings 3,164 (765) Activities (765) (765) (765) Net Change in Cash & Cash Equivalents 188 (25) (25) Cash & Cash Equivalents at beginning of year (1,482) (167) (167) Cash & Cash Equivalents at end of period (1,294) (192) (192) Cash and cash equivalents at the end of the financial period comprise the following: (2,344) (1,538)		_	_
Net change in current labilities (9,425) (2,297) (2,297) Net change in current liabilities 5,590 1,121 Tax paid - - Net cash flows from operating activities (2,745) 698 Investment Activities (231) 42 Other investments (231) 42 Financing Activities 3,164 (765) Bank borrowings 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538) (2,344) (1,538)	Operating profit before changes in working capital	1,090	1,874
Net change in current labilities (9,425) (2,297) (2,297) Net change in current liabilities 5,590 1,121 Tax paid - - Net cash flows from operating activities (2,745) 698 Investment Activities (231) 42 Other investments (231) 42 Financing Activities 3,164 (765) Bank borrowings 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538) (2,344) (1,538)	Changes in working capital:-		
Net change in current liabilities 5,590 1,121 Tax paid - - Net cash flows from operating activities (2,745) 698 Investment Activities (231) 42 Other investments (231) 42 Financing Activities 3,164 (765) Bank borrowings 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)		(9.425)	(2.297)
Tax paid (3,835) (1,176) Net cash flows from operating activities (2,745) 698 Investment Activities (231) 42 Other investments (231) 42 Financing Activities 3,164 (765) Bank borrowings 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538) (1,538)	Net change in current liabilities		·
Net cash flows from operating activities (3,835) (1,176) Investment Activities (2,745) 698 Investments (231) 42 Cash and bank balances (231) 42 (231) 42 (231) 42 (231) 42 (231) 42 (231) 42 (231) 42 (231) 42 (765) 3,164 (765) 3,164 (765) 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)		,	-,
Net cash flows from operating activities (2,745) 698 Investment Activities (231) 42 Other investments (231) 42 Financing Activities 3,164 (765) Bank borrowings 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538) (1,538)	Tax paid		<u> </u>
Investment Activities		(3,835)	(1,176)
Investment Activities	Net cash flows from operating activities	(0.746)	
Other investments (231) (231) 42 (231) Financing Activities Bank borrowings 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: 1,346 Cash and bank balances 1,050 (3,344) (1,538)	ret cash nows from operating activities	(2,745)	698_
Cash & Cash Equivalents at the end of the financial period comprise the following: Cash and bank balances Cash & Cash Cash Cash & Cash C	Investment Activities		
Cash & Cash Equivalents at the end of the financial period comprise the following: Cash and bank balances Cash wordings Cash and bank balances Cash and bank balances Cash wordings Cash wordin	Other investments	(231)	42.
Bank borrowings 3,164 (765) 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)			
Bank borrowings 3,164 (765) 3,164 (765) Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)			
Net Change in Cash & Cash Equivalents 188 (25) Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances Bank overdrafts (2,344) (1,538)	•		
Net Change in Cash & Cash Equivalents Cash & Cash Equivalents at beginning of year (1,482) Cash & Cash Equivalents at end of period (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances Bank overdrafts 1,050 1,346 (2,344) (1,538)	Bank borrowings	3,164	(765)
Cash & Cash Equivalents at beginning of year (1,482) (167) Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)		3,164	(765)
Cash & Cash Equivalents at end of period (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)	Net Change in Cash & Cash Equivalents	188	(25)
Cash & Cash Equivalents at end of period (1,294) (192) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)	Cash & Cash Equivalents at beginning of year	(1,482)	(167)
Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)	Cash & Cash Equivalents at end of period		
Cash and bank balances 1,050 1,346 Bank overdrafts (2,344) (1,538)		(1,294)	(192)
Bank overdrafts (2,344) (1,538)	Cash and cash equivalents at the end of the financial period	l comprise the following:	
Bank overdrafts $ (2,344) $	Cash and bank balances	1.050	1 346
	Bank overdrafts		
1 1 7 Z I		(1,294)	(192)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

HWA TAI INDUSTRIES BERHAD (Company No. 19688-V) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2007

Condensed Consolidated Statement of Changes in Equity for The Period Ended 30 June 2007

						Minority Total	Total
	Attri	butable to I	Squity Holde	-Attributable to Equity Holders of the Company-		-Interest	Equity
	<non< th=""><th>-Distributa</th><th>ble>:]</th><th>Non-Distributable>:Distributable></th><th></th><th></th><th></th></non<>	-Distributa	ble>:]	Non-Distributable>:Distributable>			
	Share	Share	Other	Retained	Total		
	Capital RM'000	Premium RM'000	Reserves RM'000	Earnings RM'000	RM'000	RM'000 RM'000	RM'000
At 1 January 2007		,			,		
As previously stated	40,042	1	∞	(24,333)	15,717	ι	15,717
Profit for the period	ı	ı	•	(123)	(123)	•	(123)
As 30 June 2007	40,042		8	(24,456)	15,594	1	15,594
At 1 January 2006							
As previously stated	40,042	t	∞	(26,076)	13,974	•	13,974
Prior year adjustments	1	ı	1	(382)	(382)	•	(382)
At 1 January 2006 (restated)	40,042	1	8	(26,458)	13,592	,	13,592
Profit for the period	ı	ı	ı	526	526	1	526
As 30 June 2006	40,042		8	(25,932)	14,118	•	14,118

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.)