

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

Condensed Consolidated Income Statements

	Individual Quarter		Cumulative Quarter	
	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	-	-	-	-
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	(164)	265	(123)	526
Minority Interest	-	-	-	-
	(164)	265	(123)	526
Earnings/(Loss) Per Share				
Basic (sen)	(0.41)	0.66	(0.31)	1.31
Diluted (sen)	N/A	N/A	N/A	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
	<u>27,819</u>	<u>28,801</u>
Current assets		
Inventories	5,620	4,408
Trade receivables	25,806	20,486
Other receivables	5,086	2,193
Cash and bank balances	1,050	518
	<u>37,562</u>	<u>27,605</u>
TOTAL ASSETS	<u><u>65,381</u></u>	<u><u>56,406</u></u>
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)
	<u>15,594</u>	<u>15,717</u>
Minority interest	-	-
Total equity	<u>15,594</u>	<u>15,717</u>
Non-current liabilities		
Borrowings	423	719
Deferred tax liabilities	664	664
	<u>1,087</u>	<u>1,383</u>
Current liabilities		
Provisions	718	821
Borrowings	21,916	18,112
Trade payables	18,352	16,396
Other payables	7,556	3,819
Tax provision	158	158
	<u>48,700</u>	<u>39,306</u>
Total liabilities	<u>49,787</u>	<u>40,689</u>
TOTAL EQUITY AND LIABILITIES	<u><u>65,381</u></u>	<u><u>56,406</u></u>
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.

Condensed Consolidated Cash Flow Statement

	6 months ended 30 June 2007 (RM'000)	6 months ended 30 June 2006 (RM'000)
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	<u>1,090</u>	<u>1,874</u>
Changes in working capital:-		
Net change in current assets	(9,425)	(2,297)
Net change in current liabilities	5,590	1,121
Tax paid	<u>-</u>	<u>-</u>
	<u>(3,835)</u>	<u>(1,176)</u>
Net cash flows from operating activities	<u>(2,745)</u>	<u>698</u>
Investment Activities		
Other investments	<u>(231)</u>	<u>42</u>
	<u>(231)</u>	<u>42</u>
Financing Activities		
Bank borrowings	<u>3,164</u>	<u>(765)</u>
	<u>3,164</u>	<u>(765)</u>
Net Change in Cash & Cash Equivalents	188	(25)
Cash & Cash Equivalents at beginning of year	<u>(1,482)</u>	<u>(167)</u>
Cash & Cash Equivalents at end of period	<u><u>(1,294)</u></u>	<u><u>(192)</u></u>

Cash and cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	1,050	1,346
Bank overdrafts	<u>(2,344)</u>	<u>(1,538)</u>
	<u><u>(1,294)</u></u>	<u><u>(192)</u></u>

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

	Attributable to Equity Holders of the Company				Minority Total	
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings RM'000	Interest	Equity
	<-----Non-Distributable----->:Distributable>				Total	
At 1 January 2007						
As previously stated	40,042	-	8	(24,333)	15,717	-
Profit for the period	-	-	-	(123)	(123)	-
As 30 June 2007	40,042	-	8	(24,456)	15,594	-
At 1 January 2006						
As previously stated	40,042	-	8	(26,076)	13,974	-
Prior year adjustments	-	-	-	(382)	(382)	-
At 1 January 2006 (restated)	40,042	-	8	(26,458)	13,592	-
Profit for the period	-	-	-	526	526	-
As 30 June 2006	40,042	-	8	(25,932)	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.)