HWA TAI INDUSTRIES BERHAD (Company No. 19688-V) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2008

Condensed Consolidated Income Statements

	Individu	al Quarter	Cumula	tive Quarter
	Current Year	Preceding Year	Current	Preceding
	Quarter	Corresponding	Year To	Year
		Quarter	Date	Corresponding
				Period
	Ì			
	30-Jun-08	30-Jun-07	30-Jun-08	30-Jun-07
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	19,473	17,233	36,867	35,081
Operating Expenses	(19,163)	(17,525)	(36,512)	(35,229)
Other Operating Income	120	448	272	639
Finance Cost	(385)	(320)	(781)	(614)
Share Of Profit Of An Associate Company	25	-	13	-
Profit/ (Loss) Before Tax	70	(164)	(141)	(123)
Taxation	-	-	_	-
Profit/ (Loss) For The Period	70	(164)	(141)	(123)
Attributable to:				
Equity Holders Of The Company	70	(164)	(141)	(123)
Minority Interest		(101)	(111	(125)
	70	(164)	(141)	(123)
Earnings/(Loss) Per Share				
Basic (sen)	0.17	(0.41)	(0.35	(0.21)
Diluted (sen)	N/A	1 1	(0.33 N/A	, , ,
Diluted (sell)	N/A	N/A	IN/A	N/A

N/A: Not applicable

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008

Condensed Consolidated Balance Sheet

	As at	As at
-	30-Jun-08	31-Dec-07
ACCEPTEC	RM'000	RM'000
ASSETS		
Non-current assets	10.005	10.000
Property, plant and equipment	18,325	18,920
Investment properties	4,704	4,972
Prepaid interest in leased land	1,108	1,484
Investment in an associate company	1,817	1,804
_	25,954	27,180
Comment and the		
Current assets Inventories	6.040	5 151
	6,049	5,454
Trade receivables	27,670	27,210
Other receivables	2,219	2,288
Tax recoverable Cash and bank balances	143 1 , 646	621
Cash and bank balances		1,875
Investment managing held for sale	37,727	37,448
Investment properties held for sale	27.707	366
TOTAL ASSETS	37,727	37,814
TOTAL ASSETS	63,681	64,994
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Compan	v	
Share Capital	40,042	40,042
Capital reserves	8	*0,042
Accumulated Losses	(25,704)	(25,563)
-	14,346	14,487
Minority interest	14,540	14,407
Total equity	14,346	14,487
-	,	
Non-current liabilities		
Borrowings	326	321
Deferred tax liabilities	-	-
•	326	321
Current liabilities		
Trade payables	19,259	20,535
Other payables	5,116	7,186
Provisions	794	1,286
Borrowings	23,684	21,023
Tax payable	156	156
	49,009	50,186
Total liabilities	49,335	50,507
TOTAL EQUITY AND LIABILITIES	63,681	64,994
TO THE EQUITE AND DIABIDITIES	05,001	04,594
Net Assets Per Share Attributable to	35.83	36.18
		20.10
Ordinary Equity Holders of the		

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008

Condensed Consolidated Cash Flow Statement

Net loss before tax (141) (123) Adjustment for non-cash items: 3.213 1.213 Non-cash items 531 - Operating profit before changes in working capital 5,357 1,090 Changes in working capital:- (487) (9,425) Net change in current liabilities (7,694) 5,590 Tax paid (15) - Tax paid (8,196) (3,835) Net cash flows from operating activities (2,839) (2,745) Investment Activities 602 (231) Other investments 602 (231) Financing Activities 2,285 3,164 Bank borrowings 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)		6 months ended 30-Jun-08 (RM'000)	6 months ended 30-Jun-07 (RM'000)
Non-cash items 4,967 1,213 Non-operating items 531 - Operating profit before changes in working capital 5,357 1,090 Changes in working capital:- Net change in current assets (487) (9,425) Net change in current liabilities (7,694) 5,590 Tax paid (15) - Net cash flows from operating activities (2,839) (2,745) Investment Activities Other investments 602 (231) Financing Activities 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Net loss before tax	(141)	(123)
Non-operating items	Adjustment for non-cash items:-		
Operating profit before changes in working capital: 5,357 1,090 Changes in working capital:- (487) (9,425) Net change in current assets (7,694) 5,590 Tax paid (15) - (8,196) (3,835) Net cash flows from operating activities (2,839) (2,745) Investment Activities 602 (231) Other investments 602 (231) Financing Activities 2,285 3,164 Bank borrowings 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Non-cash items	4,967	1,213
Changes in working capital:- Net change in current assets (487) (9,425) Net change in current liabilities (7,694) 5,590 Tax paid (15) - (8,196) (3,835) Net cash flows from operating activities Cheer investment Activities Other investments 602 (231) Financing Activities 8 3,164 Bank borrowings 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Non-operating items	531	-
Net change in current liabilities (487) (9,425) Net change in current liabilities (7,694) 5,590 Tax paid (15) - (8,196) (3,835) Net cash flows from operating activities (2,839) (2,745) Investment Activities 602 (231) Other investments 602 (231) Financing Activities 2,285 3,164 Pank borrowings 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Operating profit before changes in working capital	5,357	1,090
Net change in current liabilities (7,694) 5,590 Tax paid (15) - (8,196) (3,835) Net cash flows from operating activities (2,839) (2,745) Investment Activities 602 (231) Other investments 602 (231) Financing Activities 2,285 3,164 Bank borrowings 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Changes in working capital:-		
Tax paid	Net change in current assets	(487)	(9,425)
Net cash flows from operating activities (8,196) (3,835) Investment Activities (2,839) (2,745) Other investments 602 (231) 602 (231) Financing Activities 3,164 Bank borrowings 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Net change in current liabilities	(7,694)	5,590
Net cash flows from operating activities (2,839) (2,745) Investment Activities 602 (231) Other investments 602 (231) Financing Activities 2,285 3,164 Bank borrowings 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Tax paid	(15)	
Investment Activities Other investments 602 (231) 602 (231) 602 (231) Financing Activities 2,285 3,164 Bank borrowings 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances Bank overdrafts 1,646 1,050 Bank overdrafts (2,916) (2,344)		(8,196)	(3,835)
Other investments 602 (231) Financing Activities 2,285 (231) Bank borrowings 2,285 (235) 3,164 (238) Net Change in Cash & Cash Equivalents 48 (188) Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 (2,916) (2,344) Bank overdrafts (2,916) (2,344)	Net cash flows from operating activities	(2,839)	(2,745)
Financing Activities Enable borrowings 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Investment Activities		
Financing Activities Bank borrowings 2,285 3,164 2,285 3,164 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Other investments	602	(231)
Bank borrowings 2,285 3,164 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)			
Bank borrowings 2,285 3,164 2,285 3,164 Net Change in Cash & Cash Equivalents 48 188 Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Financing Activities		
Net Change in Cash & Cash Equivalents Cash & Cash Equivalents at beginning of year Cash & Cash Equivalents at end of period (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)		2.285	3 164
Cash & Cash Equivalents at beginning of year (1,318) (1,482) Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)			
Cash & Cash Equivalents at end of period (1,270) (1,294) Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Net Change in Cash & Cash Equivalents	48	188
Cash and cash equivalents at the end of the financial period comprise the following: Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Cash & Cash Equivalents at beginning of year	(1,318)	(1,482)
Cash and bank balances 1,646 1,050 Bank overdrafts (2,916) (2,344)	Cash & Cash Equivalents at end of period	(1,270)	(1,294)
Bank overdrafts (2,916) (2,344)	Cash and cash equivalents at the end of the financial	period comprise the	following:
Bank overdrafts (2,916) (2,344)	Cash and bank balances	1,646	1,050
(1,270) (1,294)	Bank overdrafts	(2,916)	
		(1,270)	(1,294)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008

Condensed Consolidated Statement of Changes in Equity for The Period Ended 30 June 2008

for The Period Ended 30 June 2008						Minority	Total
	!	Attributal	Attributable to Equity Holders of the Company>	s of the Compan	y	Interest	Equity
	V	Non-Distrik	Non-Distributable>				
	Share	Share	Capital Reserves	Accumulated	Total		
	Capital RM'000	Premium RM'000	RM'000	Losses RM'000	RM'000	RM'000	RM'000
At 1st January 2008	40,042	ı	∞	(25,563)	14,487	1	14,487
I and for the financial neriod	ı		•	(141)	(141)	t	(141)
At 30th June 2008	40,042	1	8	(25,704)	14,346		14,346
At 1st January 2007	40,042	•	∞	(24,333)	15,717	1	15,717
Loss for the financial period	•	ı	1	(123)	(123)	,	(123)
At 30th June 2007	40,042	•	8	(24,456)	15,594	-	15,594

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.