

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

Condensed Consolidated Income Statements

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-08 (RM'000)	30-Jun-07 (RM'000)	30-Jun-08 (RM'000)	30-Jun-07 (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	-	-	-	-
	70	(164)	(141)	(123)
Earnings/(Loss) Per Share				
Basic (sen)	0.17	(0.41)	(0.35)	(0.31)
Diluted (sen)	N/A	N/A	N/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 30-Jun-08 RM'000	As at 31-Dec-07 RM'000
ASSETS		
Non-current assets		
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
	<u>25,954</u>	<u>27,180</u>
Current assets		
Inventories	6,049	5,454
Trade receivables	27,670	27,210
Other receivables	2,219	2,288
Tax recoverable	143	621
Cash and bank balances	1,646	1,875
	<u>37,727</u>	<u>37,448</u>
Investment properties held for sale	-	366
	<u>37,727</u>	<u>37,814</u>
TOTAL ASSETS	<u><u>63,681</u></u>	<u><u>64,994</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	40,042	40,042
Capital reserves	8	8
Accumulated Losses	(25,704)	(25,563)
	<u>14,346</u>	<u>14,487</u>
Minority interest	-	-
Total equity	<u>14,346</u>	<u>14,487</u>
Non-current liabilities		
Borrowings	326	321
Deferred tax liabilities	-	-
	<u>326</u>	<u>321</u>
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
	<u>49,009</u>	<u>50,186</u>
Total liabilities	<u>49,335</u>	<u>50,507</u>
TOTAL EQUITY AND LIABILITIES	<u><u>63,681</u></u>	<u><u>64,994</u></u>
Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (Sen)	35.83	36.18

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

	6 months ended 30-Jun-08 (RM'000)	6 months ended 30-Jun-07 (RM'000)
Net loss before tax	(141)	(123)
Adjustment for non-cash items:-		
Non-cash items	4,967	1,213
Non-operating items	531	-
Operating profit before changes in working capital	<u>5,357</u>	<u>1,090</u>
Changes in working capital:-		
Net change in current assets	(487)	(9,425)
Net change in current liabilities	(7,694)	5,590
Tax paid	(15)	-
	<u>(8,196)</u>	<u>(3,835)</u>
Net cash flows from operating activities	<u>(2,839)</u>	<u>(2,745)</u>
Investment Activities		
Other investments	602	(231)
	<u>602</u>	<u>(231)</u>
Financing Activities		
Bank borrowings	2,285	3,164
	<u>2,285</u>	<u>3,164</u>
Net Change in Cash & Cash Equivalents	48	188
Cash & Cash Equivalents at beginning of year	<u>(1,318)</u>	<u>(1,482)</u>
Cash & Cash Equivalents at end of period	<u><u>(1,270)</u></u>	<u><u>(1,294)</u></u>

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)
	<u>(1,270)</u>	<u>(1,294)</u>

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**

	<-----Attributable to Equity Holders of the Company----->					Minority Interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	Total RM'000		
At 1st January 2008	40,042	-	8	(25,563)	14,487	-	14,487
Loss for the financial period At 30th June 2008	-	-	-	(141)	(141)	-	(141)
	<u>40,042</u>	<u>-</u>	<u>8</u>	<u>(25,704)</u>	<u>14,346</u>	<u>-</u>	<u>14,346</u>
At 1st January 2007	40,042	-	8	(24,333)	15,717	-	15,717
Loss for the financial period At 30th June 2007	-	-	-	(123)	(123)	-	(123)
	<u>40,042</u>	<u>-</u>	<u>8</u>	<u>(24,456)</u>	<u>15,594</u>	<u>-</u>	<u>15,594</u>

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.