

HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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-Sep-08 (RM'000)	30-Sep-07 (RM'000)	30-Sep-08 (RM'000)	30-Sep-07 (RM'000)
Revenue	25,527	19,307	62,394	54,388
Operating Expenses	(24,821)	(20,079)	(61,333)	(55,308)
Other Operating Income	(10)	771	262	1,410
Finance Cost	(395)	(513)	(1,176)	(1,127)
Share Of Profit Of An Associate Company	9	-	22	-
Profit/ (Loss) Before Tax	310	(514)	169	(637)
Taxation	(3)	-	(3)	
Profit/ (Loss) For The Period	307	(514)	166	(637)
Attributable to:				
Equity Holders Of The Company	307	(514)	166	(637)
Minority Interest	307	(514)	166	(637)
Earnings/(Loss) Per Share				
Basic (sen)	0.77	(1.28)	0.41	(1.59)
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 SEPTEMBER 2008

Condensed Consolidated Balance Sheet

	As at 30-Sep-08 RM'000	As at 31-Dec-07 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	17,978	18,920
Investment properties	4,144	4,972
Prepaid interest in leased land	1,101	1,484
Investment in an associate company	1,826	1,804
	<u>25,049</u>	<u>27,180</u>
Current assets		
Inventories	6,618	5,454
Trade receivables	30,460	27,210
Other receivables	3,163	2,288
Tax recoverable	104	621
Cash and bank balances	1,736	1,875
	<u>42,081</u>	<u>37,448</u>
Investment properties held for sale	-	366
	<u>42,081</u>	<u>37,814</u>
TOTAL ASSETS	<u><u>67,130</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	(25,397)	(25,563)
	<u>14,653</u>	<u>14,487</u>
Minority interest	-	-
Total equity	<u>14,653</u>	<u>14,487</u>
Non-current liabilities		
Borrowings	307	321
Deferred tax liabilities	-	-
	<u>307</u>	<u>321</u>
Current liabilities		
Trade payables	21,246	20,535
Other payables	6,277	7,186
Provisions	2,185	1,286
Borrowings	22,306	21,023
Tax payable	156	156
	<u>52,170</u>	<u>50,186</u>
Total liabilities	<u>52,477</u>	<u>50,507</u>
TOTAL EQUITY AND LIABILITIES	<u><u>67,130</u></u>	<u><u>64,994</u></u>
Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (Sen)	36.59	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 SEPTEMBER 2008

Condensed Consolidated Cash Flow Statement

	9 months ended 30-Sep-08 (RM'000)	9 months ended 30-Sep-07 (RM'000)
Net profit/loss before tax	169	(637)
Adjustment for non-cash items:-		
Non-cash items	6,372	1,795
Non-operating items	796	-
Operating profit before changes in working capital	<u>7,337</u>	<u>1,158</u>
Changes in working capital:-		
Net change in current assets	(5,615)	(9,019)
Net change in current liabilities	(3,689)	3,759
Tax refund (net of tax paid)	514	-
	<u>(8,790)</u>	<u>(5,260)</u>
Net cash flows from operating activities	<u>(1,453)</u>	<u>(4,102)</u>
Investment Activities		
Other investments	1,050	(409)
	<u>1,050</u>	<u>(409)</u>
Financing Activities		
Bank borrowings	1,440	4,417
	<u>1,440</u>	<u>4,417</u>
Net Change in Cash & Cash Equivalents	1,037	(94)
Cash & Cash Equivalents at beginning of year	<u>(1,318)</u>	<u>(1,482)</u>
Cash & Cash Equivalents at end of period	<u>(281)</u>	<u>(1,576)</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	1,736	1,250
Bank overdrafts	(2,017)	(2,826)
	<u>(281)</u>	<u>(1,576)</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 SEPTEMBER 2008**

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

	<-----Attributable to Equity Holders of the Company----->					Minority Interest	Total Equity
	<-----Non-Distributable----->		Capital Reserves	Accumulated Losses	Total		
	Share Capital RM'000	Share Premium RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1st January 2008	40,042	-	8	(25,563)	14,487	-	14,487
Loss for the financial period	-	-	-	166	166	-	166
At 30th September 2008	40,042	-	8	(25,397)	14,653	-	14,653
At 1st January 2007	40,042	-	8	(24,333)	15,717	-	15,717
Loss for the financial period	-	-	-	(637)	(637)	-	(637)
Ar 30th September 2007	40,042	-	8	(24,970)	15,080	-	15,080

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.