

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|--|-------------------------|--|-------------------------|---|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
| | 30-Jun-13 (RM'000) | 30-Jun-12 (RM'000) | 30-Jun-13 (RM'000) | 30-Jun-12 (RM'000) |
| Revenue | 19,234 | 17,552 | 35,418 | 32,969 |
| Operating Expenses | (18,720) | (17,757) | (35,333) | (33,301) |
| Other Operating Income | 164 | 173 | 690 | 246 |
| Finance Cost | (285) | (304) | (574) | (609) |
| Share Of (Loss)/ Profit Of An Associate Company | (33) | 28 | (19) | 30 |
| Profit/ (Loss) Before Tax | 360 | (308) | 182 | (665) |
| Taxation | (50) | - | (33) | - |
| Profit/ (Loss) For The Period | 310 | (308) | 149 | (665) |
| Attributable to: | | | | |
| Owners Of the Company | 310 | (308) | 149 | (665) |
| Non-Controlling Interests | - | - | - | - |
| | 310 | (308) | 149 | (665) |
| Earnings Per Share Attributable to Owners of the Company | | | | |
| Basic (sen) | 0.77 | (0.77) | 0.37 | (1.66) |
| Diluted (sen) | N/A | N/A | N/A | N/A |

N/A : Not applicable

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 30-Jun-13 RM'000 | As at 31-Dec-12 RM'000 (Restated) |
|--|------------------------------|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 16,273 | 16,924 |
| Prepaid interest in leased land | 1,179 | 1,201 |
| Investment in an associate company | 1,737 | 1,756 |
| | 19,189 | 19,881 |
| Current assets | | |
| Inventories | 4,934 | 5,173 |
| Trade receivables | 26,657 | 24,931 |
| Other receivables | 1,366 | 1,027 |
| Tax recoverable | 360 | 187 |
| Cash and bank balances | 3,571 | 3,255 |
| | 36,888 | 34,573 |
| TOTAL ASSETS | 56,077 | 54,454 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to Owners Of the Company | | |
| Share Capital | 40,042 | 40,042 |
| Capital reserves | - | - |
| Accumulated Losses | (25,218) | (25,367) |
| | 14,824 | 14,675 |
| Non-Controlling Interests | - | - |
| Total equity | 14,824 | 14,675 |
| Non-current liabilities | | |
| Borrowings | 878 | 1,109 |
| Deferred tax liabilities | - | - |
| | 878 | 1,109 |
| Current liabilities | | |
| Trade payables | 12,089 | 11,488 |
| Other payables | 7,446 | 7,058 |
| Borrowings | 20,544 | 19,968 |
| Tax payable | 296 | 156 |
| | 40,375 | 38,670 |
| Total liabilities | 41,253 | 39,779 |
| TOTAL EQUITY AND LIABILITIES | 56,077 | 54,454 |
| Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (Sen) | 37.02 | 36.65 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

| | 6 months ended 30-Jun-13 (RM'000) | 6 months ended 30-Jun-12 (RM'000) |
|---|---|---|
| Net profit/ (loss) before tax | 182 | (665) |
| Adjustment for non-cash items:- | | |
| Impairment loss on third parties | 235 | 206 |
| Allowance for inventories obsolescence | 171 | 127 |
| Depreciation | | |
| - property, plant and equipment | 956 | 1,021 |
| - prepaid land lease properties | 22 | 26 |
| Interest income | (8) | (8) |
| Interest expense | 574 | 609 |
| Non-cash and operating items - others | (216) | (39) |
| | <u>1,916</u> | <u>1,277</u> |
| Changes in working capital:- | | |
| Decrease in inventories | 72 | 349 |
| (Increase)/ decrease in receivables | (2,079) | 175 |
| Increase/ (decrease) in payables | 990 | (3,753) |
| Payment of finance cost | (488) | (489) |
| Payment of income tax (net of tax refund) | (66) | 34 |
| Others | - | - |
| | <u>(1,571)</u> | <u>(3,684)</u> |
| Net cash flows from operating activities | <u>345</u> | <u>(2,407)</u> |
| Investment Activities | | |
| Purchase of property, plant and equipment | (316) | (180) |
| Purchase of prepaid land lease properties | - | - |
| Proceeds from disposal of property, plant and equipment | 19 | - |
| Interest received | 8 | 8 |
| | <u>(289)</u> | <u>(172)</u> |
| Financing Activities | | |
| Net drawdown of short term borrowings | 977 | 2,004 |
| Net repayment of long term borrowings | (336) | (550) |
| Interest paid | (86) | (120) |
| | <u>555</u> | <u>1,334</u> |
| Net Change in Cash & Cash Equivalents | 611 | (1,245) |
| Cash & Cash Equivalents at beginning of year | <u>(234)</u> | <u>823</u> |
| Cash & Cash Equivalents at end of period | <u>377</u> | <u>(422)</u> |
| Cash and cash equivalents at the end of the financial year comprise the following: | | |
| Cash and bank balances | 3,571 | 2,353 |
| Bank overdrafts | (3,194) | (2,775) |
| | <u>377</u> | <u>(422)</u> |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 30 JUNE 2013

| | ← Attributable to Owners of the Company → | | | | Non- Controlling Interests | Total Equity |
|---|---|------------------|-----------------------|--------|----------------------------------|--------------|
| | ← Non-Distributable → | | | | | |
| | Share Capital | Capital Reserves | Accumulated Losses | Total | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| At 1st January 2013 | | | | | | |
| As previously stated | 40,042 | - | (25,367) | 14,675 | - | 14,675 |
| Effects of the adoption of MFRSs | - | - | - | - | - | - |
| At 1st January 2013, as restated | 40,042 | - | (25,367) | 14,675 | - | 14,675 |
| Total comprehensive loss for the period | - | - | 149 | 149 | - | 149 |
| At 30th June 2013 | 40,042 | - | (25,218) | 14,824 | - | 14,824 |
| At 1st January 2012 | | | | | | |
| As previously stated | 40,042 | 8 | (24,513) | 15,537 | - | 15,537 |
| Effects of the adoption of MFRSs | - | (8) | - | (8) | - | (8) |
| At 1st January 2012, as restated | 40,042 | - | (24,513) | 15,529 | - | 15,529 |
| Total comprehensive loss for the period | - | - | (665) | (665) | - | (665) |
| At 30th June 2012 | 40,042 | - | (25,178) | 14,864 | - | 14,864 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.