

**HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)**  
**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014**

**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-14 (RM'000)	30-Jun-13 (RM'000)	30-Jun-14 (RM'000)	30-Jun-13 (RM'000)
<b>Revenue</b>	14,530	19,234	30,573	35,418
<b>Operating Expenses</b>	(15,408)	(18,720)	(31,850)	(35,333)
<b>Other Operating Income</b>	73	164	205	690
<b>Finance Cost</b>	(266)	(285)	(535)	(574)
<b>Share Of Profit/ (Loss) Of An Associate Company</b>	23	(33)	52	(19)
<b>(Loss)/ Profit Before Tax</b>	(1,048)	360	(1,555)	182
<b>Taxation</b>	-	(50)	-	(33)
<b>(Loss)/ Profit For The Period</b>	(1,048)	310	(1,555)	149
<b>Attributable to:</b>				
<b>Owners Of the Company</b>	(1,047)	310	(1,554)	149
<b>Non-Controlling Interests</b>	(1)	-	(1)	-
	(1,048)	310	(1,555)	149
<b>(Loss)/ Earnings Per Share Attributable to Owners of the Company</b>				
<b>Basic (sen)</b>	(2.62)	0.77	(3.88)	0.37
<b>Diluted (sen)</b>	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 2013 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 2014**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at 30-Jun-14 RM'000</b>	<b>As at 31-Dec-13 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,567	15,977
Prepaid interest in leased land	1,135	1,157
Investment in an associate company	1,685	1,633
	<u>18,387</u>	<u>18,767</u>
<b>Current assets</b>		
Inventories	5,884	5,176
Trade receivables	22,254	24,019
Other receivables	1,258	950
Tax recoverable	295	136
Cash and bank balances	1,903	1,972
	<u>31,594</u>	<u>32,253</u>
<b>TOTAL ASSETS</b>	<u>49,981</u>	<u>51,020</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners Of the Company</b>		
Share Capital	40,042	40,042
Accumulated Losses	(26,519)	(24,965)
	<u>13,523</u>	<u>15,077</u>
<b>Non-Controlling Interests</b>	11	12
<b>Total equity</b>	<u>13,534</u>	<u>15,089</u>
<b>Non-current liabilities</b>		
Borrowings	680	716
Deferred tax liabilities	-	-
	<u>680</u>	<u>716</u>
<b>Current liabilities</b>		
Trade payables	9,532	10,677
Other payables	7,057	7,186
Borrowings	18,732	17,121
Tax payable	446	231
	<u>35,767</u>	<u>35,215</u>
<b>Total liabilities</b>	<u>36,447</u>	<u>35,931</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>49,981</u>	<u>51,020</u>
<b>Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (Sen)</b>	33.77	37.65

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>6 months ended 30-Jun-14 (RM'000)</b>	<b>6 months ended 30-Jun-13 (RM'000)</b>
<b>Net (loss)/ profit before tax</b>	(1,555)	182
<b>Adjustment for non-cash items:-</b>		
Impairment loss on receivables	277	235
Write down for inventories	62	171
Depreciation		
- property, plant and equipment	983	956
- prepaid land lease properties	22	22
Interest income	(6)	(8)
Interest expense	535	574
Non-cash and operating items - others	(103)	(216)
	<u>215</u>	<u>1,916</u>
<b>Changes in working capital:-</b>		
(Increase)/ decrease in inventories	(770)	72
Decrease/ (increase) in receivables	1,224	(2,079)
(Decrease)/ increase in payables	(1,274)	990
Payment of finance cost	(482)	(488)
Net Refund / (Payment) of income tax	56	(66)
	<u>(1,246)</u>	<u>(1,571)</u>
<b>Net cash flows from operating activities</b>	<u>(1,031)</u>	<u>345</u>
<b>Investment Activities</b>		
Purchase of property, plant and equipment	(577)	(316)
Proceeds from disposal of property, plant and equipment	1	19
Interest received	6	8
	<u>(570)</u>	<u>(289)</u>
<b>Financing Activities</b>		
Net drawdown of short term borrowings	1,494	977
Net repayment of long term borrowings	(294)	(336)
Interest paid	(53)	(86)
	<u>1,147</u>	<u>555</u>
<b>Net Change in Cash &amp; Cash Equivalents</b>	(454)	611
<b>Cash &amp; Cash Equivalents at beginning of year</b>	(481)	(234)
<b>Effects of the exchange rate changes</b>	9	-
<b>Cash &amp; Cash Equivalents at end of period</b>	<u>(926)</u>	<u>377</u>

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

Cash and bank balances	1,903	3,571
Bank overdrafts	(2,829)	(3,194)
	<u>(926)</u>	<u>377</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2014**

	Attributable to Owners of the Company		Non-Controlling Interests		Total Equity
	Share Capital	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1st January 2014</b>	40,042	(24,965)	15,077	12	15,089
Total comprehensive loss for the period	-	(1,554)	(1,554)	(1)	(1,555)
<b>At 30th June 2014</b>	40,042	(26,519)	13,523	11	13,534
<b>At 1st January 2013</b>	40,042	(25,367)	14,675	-	14,675
Total comprehensive loss for the period	-	149	149	-	149
<b>At 30th June 2013</b>	40,042	(25,218)	14,824	-	14,824

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.