

**HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)**  
**INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Current Year Quarter 30-Jun-16 (RM'000)</b>	<b>Preceding Year Corresponding Quarter 30-Jun-15 (RM'000)</b>	<b>Current Year To Date 30-Jun-16 (RM'000)</b>	<b>Preceding Year Corresponding Period 30-Jun-15 (RM'000)</b>
<b>Revenue</b>	15,815	16,335	32,555	32,871
<b>Operating Expenses</b>	(15,813)	(16,405)	(32,206)	(33,124)
<b>Other Operating Income</b>	175	111	310	341
<b>Finance Cost</b>	(237)	(266)	(491)	(538)
<b>Share Of Results Of An Associated Company</b>	(126)	-	(182)	(23)
<b>Loss Before Taxation</b>	(186)	(225)	(14)	(473)
<b>Taxation</b>	(87)	-	(174)	-
<b>Loss For The Period</b>	(273)	(225)	(188)	(473)
<b>Other Comprehensive Income, Net Of Items That Will Be Reclassified Subsequently To Profit Or Loss</b>				
Translation Reserves	23	49	(254)	209
<b>Total Comprehensive Loss For The Period</b>	(250)	(176)	(442)	(264)
<b>Loss For The Period Attributable to:</b>				
<b>Owners Of the Company</b>	(273)	(225)	(188)	(470)
<b>Non-Controlling Interests</b>	-	-	-	(3)
	(273)	(225)	(188)	(473)
<b>Total Comprehensive Loss For The Period Attributable to:</b>				
<b>Owners Of the Company</b>	(250)	(176)	(442)	(261)
<b>Non-Controlling Interests</b>	-	-	-	(3)
	(250)	(176)	(442)	(264)
<b>Loss Per Share Attributable to Owners of the Company</b>				
<b>Basic (sen)</b>	(0.36)	(0.35)	(0.25)	(0.72)
<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 financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)  
 INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Jun-16 RM'000	As at 31-Dec-15 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,193	14,490
Prepaid land lease payments	1,049	1,070
Investment in an associated company	2,151	2,586
Trade receivables	2,935	3,465
	<u>20,328</u>	<u>21,611</u>
<b>Current assets</b>		
Inventories	6,248	6,677
Trade receivables	18,441	18,812
Other receivables	425	353
Tax recoverable	33	23
Other investment	27	8,404
Cash, bank balances and short-term deposits	18,626	10,213
	<u>43,800</u>	<u>44,482</u>
<b>TOTAL ASSETS</b>	<u>64,128</u>	<u>66,093</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share Capital	29,933	29,933
Translation reserves	685	939
Accumulated Losses	(3,246)	(3,058)
	<u>27,372</u>	<u>27,814</u>
<b>Non-controlling interests</b>	18	18
<b>Total equity</b>	<u>27,390</u>	<u>27,832</u>
<b>Non-current liability</b>		
Borrowings	178	262
<b>Current liabilities</b>		
Trade payables	10,693	11,958
Other payables	9,067	8,491
Borrowings	16,395	17,299
Tax payable	405	251
	<u>36,560</u>	<u>37,999</u>
<b>Total liabilities</b>	<u>36,738</u>	<u>38,261</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>64,128</u>	<u>66,093</u>
<b>Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (sen)</b>	36.58	37.17

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)**  
**INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended 30-Jun-16 (RM'000)</b>	<b>6 months ended 30-Jun-15 (RM'000)</b>
<b>Loss before taxation</b>	(14)	(473)
<b>Adjustments for non-cash items:-</b>		
Impairment loss on receivables	512	349
Amortisation of prepaid land lease payments	22	22
Depreciation of property, plant and equipment	990	975
Income from other investment	(79)	-
Interest income	(180)	(78)
Interest expense	491	538
Share of results of an associated company	182	-
Non-cash and operating items - others	(33)	(31)
	<u>1,891</u>	<u>1,302</u>
<b>Changes in working capital:-</b>		
Decrease in inventories	429	439
Decrease in receivables	297	378
Decrease in payables	(689)	(2,539)
Payment of finance cost	(477)	(508)
Net payment of income tax	(30)	(80)
	<u>(470)</u>	<u>(2,310)</u>
<b>Net cash flows from/(used in) operating activities</b>	<u>1,421</u>	<u>(1,008)</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(714)	(525)
Proceeds from disposal of property, plant and equipment	2	2
Interest received	180	78
Proceeds from disposal of other investment	8,456	-
<b>Net cash flows from/(used in) investing activities</b>	<u>7,924</u>	<u>(445)</u>
<b>Financing Activities</b>		
Net (repayment)/ drawdown of short term borrowings	(511)	114
Net repayment of long term borrowings	(146)	(228)
Proceeds from rights issue of shares	-	13,916
Interest paid	(14)	(30)
<b>Net cash flows (used in)/from financing activities</b>	<u>(671)</u>	<u>13,772</u>
<b>Net Change in Cash &amp; Cash Equivalents</b>	8,674	12,319
<b>Cash &amp; Cash Equivalents at the beginning of the financial period</b>	6,212	(615)
<b>Effects of the exchange rate changes</b>	72	10
<b>Cash &amp; Cash Equivalents at the end of the financial period</b>	<u>14,958</u>	<u>11,714</u>
<b>Cash and cash equivalents at the end of the financial period comprise of the following:</b>		
Cash and bank balances	4,396	5,849
Deposits with financial institution	14,230	8,064
Bank overdrafts	(3,668)	(2,199)
	<u>14,958</u>	<u>11,714</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)**  
**INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**

	<-----Attributable to Owners of the Company----->				Non- Controlling Interests	Total Equity
	<-----Non-Distributable----->					
	Share Capital	Translation Reserves	Accumulated Losses	Total	Total	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2016</b>	29,933	939	(3,058)	27,814	18	27,832
Total comprehensive loss for the financial period	-	(254)	(188)	(442)	-	(442)
<b>At 30 June 2016</b>	29,933	685	(3,246)	27,372	18	27,390
<b>At 1 January 2015</b>	40,042	531	(27,405)	13,168	16	13,184
Total comprehensive loss for the financial period	-	209	(470)	(261)	(3)	(264)
Share Capital Reduction	(24,025)	-	24,025	-	-	-
Rights Issues	13,916	-	-	13,916	-	13,916
<b>At 30 June 2015</b>	29,933	740	(3,850)	26,823	13	26,836

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.