

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

**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-Sep-16 (RM'000)	30-Sep-15 (RM'000)	30-Sep-16 (RM'000)	30-Sep-15 (RM'000)
<b>Revenue</b>	13,097	14,199	45,652	47,070
<b>Operating Expenses</b>	(12,984)	(14,345)	(45,190)	(47,469)
<b>Other Operating Income</b>	184	210	494	551
<b>Finance Cost</b>	(206)	(225)	(697)	(763)
<b>Share Of Results Of An Associated Company</b>	(96)	30	(278)	7
<b>Loss Before Taxation</b>	(5)	(131)	(19)	(604)
<b>Taxation</b>	191	(115)	17	(115)
<b>Profit/(Loss) For The Period</b>	186	(246)	(2)	(719)
<b>Other Comprehensive Income, Net Of Items That Will Be Reclassified Subsequently To Profit Or Loss</b> Translation Reserves	72	365	(182)	574
<b>Total Comprehensive Profit/ (Loss) For The Period</b>	258	119	(184)	(145)
<b>Profit/(Loss) For The Period Attributable to:</b>				
<b>Owners Of the Company</b>	186	(246)	(2)	(716)
<b>Non-Controlling Interests</b>	-	-	-	(3)
	186	(246)	(2)	(719)
<b>Total Comprehensive Profit/ (Loss) For The Period Attributable to:</b>				
<b>Owners Of the Company</b>	258	119	(184)	(142)
<b>Non-Controlling Interests</b>	-	-	-	(3)
	258	119	(184)	(145)
<b>Profit/(Loss) Per Share Attributable to Owners of the Company</b>				
<b>Basic (sen)</b>	0.25	(0.38)	(0.00)	(1.10)
<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 SEPTEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at 30-Sep-16 RM'000</b>	<b>As at 31-Dec-15 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,456	14,490
Prepaid land lease payments	1,038	1,070
Investment in an associated company	2,126	2,586
Trade receivables	3,148	3,465
	<u>20,768</u>	<u>21,611</u>
<b>Current assets</b>		
Inventories	5,880	6,677
Trade receivables	17,762	18,812
Other receivables	479	353
Tax recoverable	39	23
Other investment	27	8,404
Cash, bank balances and short-term deposits	13,981	10,213
	<u>38,168</u>	<u>44,482</u>
<b>TOTAL ASSETS</b>	<u>58,936</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	757	939
Accumulated Losses	(3,060)	(3,058)
	<u>27,630</u>	<u>27,814</u>
<b>Non-controlling interests</b>	18	18
<b>Total equity</b>	<u>27,648</u>	<u>27,832</u>
<b>Non-current liability</b>		
Borrowings	136	262
<b>Current liabilities</b>		
Trade payables	8,773	11,958
Other payables	7,889	8,491
Borrowings	14,343	17,299
Tax payable	147	251
	<u>31,152</u>	<u>37,999</u>
<b>Total liabilities</b>	<u>31,288</u>	<u>38,261</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>58,936</u>	<u>66,093</u>
<b>Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (sen)</b>	36.92	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 SEPTEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 months ended 30-Sep-16 (RM'000)</b>	<b>9 months ended 30-Sep-15 (RM'000)</b>
<b>Loss before taxation</b>	(19)	(604)
<b>Adjustments for non-cash items:-</b>		
Impairment loss on receivables	887	697
Amortisation of prepaid land lease payments	32	33
Depreciation of property, plant and equipment	1,492	1,472
Income from other investment	(79)	(43)
Interest income	(296)	(142)
Interest expense	697	763
Share of results of an associated company	278	(7)
Non-cash and operating items - others	(6)	4
	<u>2,986</u>	<u>2,173</u>
<b>Changes in working capital:-</b>		
Decrease/ (increase) in inventories	797	(342)
Decrease in receivables	342	3,460
Decrease in payables	(3,787)	(3,759)
Payment of finance cost	(678)	(723)
Net payment of income tax	(103)	(120)
	<u>(3,429)</u>	<u>(1,484)</u>
<b>Net cash flows (used in)/from operating activities</b>	<u>(443)</u>	<u>689</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(1,483)	(695)
Proceeds from disposal of property, plant and equipment	7	3
Interest received	296	185
Proceeds from disposal of other investment	8,456	-
<b>Net cash flows from/(used in) investing activities</b>	<u>7,276</u>	<u>(507)</u>
<b>Financing Activities</b>		
Net repayment of short term borrowings	(1,502)	(2,685)
Net repayment of long term borrowings	(190)	(320)
Proceeds from rights issue of shares	-	13,916
Interest paid	(19)	(40)
<b>Net cash flows (used in)/from financing activities</b>	<u>(1,711)</u>	<u>10,871</u>
<b>Net Change in Cash &amp; Cash Equivalents</b>	5,122	11,053
<b>Cash &amp; Cash Equivalents at the beginning of the financial period</b>	6,212	(615)
<b>Effects of the exchange rate changes</b>	36	30
<b>Cash &amp; Cash Equivalents at the end of the financial period</b>	<u>11,370</u>	<u>10,468</u>
<b>Cash and cash equivalents at the end of the financial period comprise of the following:</b>		
Cash and bank balances	1,496	5,682
Deposits with financial institution	12,485	8,141
Bank overdrafts	(2,611)	(3,355)
	<u>11,370</u>	<u>10,468</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 SEPTEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	(182)	(2)	(184)	-	(184)
<b>At 30 September 2016</b>	29,933	757	(3,060)	27,630	18	27,648
<b>At 1 January 2015</b>	40,042	531	(27,405)	13,168	16	13,184
Total comprehensive loss for the financial period	-	574	(716)	(142)	(3)	(145)
Share Capital Reduction	(24,025)	-	24,025	-	-	-
Rights Issues	13,916	-	-	13,916	-	13,916
<b>At 30 September 2015</b>	29,933	1,105	(4,096)	26,942	13	26,955

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.