

**HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)**  
**INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at 30-Sep-18 RM'000</b>	<b>As at 31-Dec-17 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,784	13,996
Prepaid land lease payments	951	983
Investment in an associated company	1,304	1,777
Trade and other receivables	1,072	2,198
	<u>17,111</u>	<u>18,954</u>
<b>Current assets</b>		
Inventories	6,645	7,643
Trade and other receivables	21,581	22,554
Prepayments	211	212
Tax recoverable	2	16
Other investment	1	1
Cash, bank balances and short-term deposits	12,575	14,518
	<u>41,015</u>	<u>44,944</u>
<b>TOTAL ASSETS</b>	<u><u>58,126</u></u>	<u><u>63,898</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	29,933	29,933
Translation reserves	678	744
Accumulated losses	(3,197)	(1,619)
	<u>27,414</u>	<u>29,058</u>
<b>Non-controlling interests</b>	17	18
<b>Total equity</b>	<u>27,431</u>	<u>29,076</u>
<b>Non-current liability</b>		
Loans and borrowings	604	352
<b>Current liabilities</b>		
Trade and other payables	13,966	20,242
Loans and borrowings	16,095	13,721
Tax payable	30	507
	<u>30,091</u>	<u>34,470</u>
<b>Total liabilities</b>	<u>30,695</u>	<u>34,822</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>58,126</u></u>	<u><u>63,898</u></u>
<b>Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (sen)</b>	36.63	38.83

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

## 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-18 (RM'000)	30-Sep-17 (RM'000)	30-Sep-18 (RM'000)	30-Sep-17 (RM'000)
Revenue	15,294	15,293	46,452	46,017
Operating Expenses	(15,293)	(14,413)	(46,772)	(44,978)
Other Operating Income	155	124	441	373
Finance Cost	(233)	(194)	(664)	(589)
Share Of Results Of An Associated Company	(166)	(168)	(407)	(271)
<b>(Loss)/ Profit Before Taxation</b>	(243)	642	(950)	552
Taxation	(282)	(426)	(629)	(726)
<b>(Loss)/ Profit For The Period</b>	(525)	216	(1,579)	(174)
<b>Other Comprehensive Income, Net Of Items That Will Be Reclassified Subsequently To Profit Or Loss</b>				
Translation Reserves	(37)	10	(66)	(75)
<b>Total Comprehensive (Loss)/ Profit For The Period</b>	(562)	226	(1,645)	(249)
<b>Loss/ (Profit) For The Period Attributable To:</b>				
<b>Owners Of The Company</b>	(524)	216	(1,578)	(174)
<b>Non-Controlling Interests</b>	(1)	-	(1)	-
	(525)	216	(1,579)	(174)
<b>Total Comprehensive (Loss)/ Profit For The Period Attributable To:</b>				
<b>Owners Of The Company</b>	(561)	226	(1,644)	(249)
<b>Non-Controlling Interests</b>	(1)	-	(1)	-
	(562)	226	(1,645)	(249)
<b>(Loss)/ Earning Per Share Attributable To Owners Of The Company</b>				
<b>Basic (sen)</b>	(0.70)	0.29	(2.11)	(0.23)
<b>Diluted (sen)</b>	N/A	N/A	N/A	N/A

N/A : Not applicable

\* Refer to Notes to Interim Financial Report (A.1. Basis of Preparation)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 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 2018**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 months ended 30-Sep-18 (RM'000)</b>	<b>9 months ended 30-Sep-17 (RM'000)</b>
<b>(Loss)/ Profit before taxation</b>	(950)	552
<b>Adjustments for non-cash items:-</b>		
Impairment loss on receivables	848	880
Amortisation of prepaid land lease payments	32	33
Depreciation of property, plant and equipment	1,714	1,608
Interest income	(315)	(298)
Interest expense	664	589
Share of results of an associated company	407	271
Non-cash and operating items - others	30	14
	<u>2,430</u>	<u>3,649</u>
<b>Changes in working capital:-</b>		
Inventories	998	328
Receivables	1,287	205
Prepayments	1	(117)
Payables	(6,276)	(4,055)
Payment of finance cost	(623)	(564)
Net payment of income tax	(1,092)	(700)
	<u>(5,705)</u>	<u>(4,903)</u>
<b>Net cash flows used in operating activities</b>	<u>(3,275)</u>	<u>(1,254)</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(1,363)	(822)
Proceeds from disposal of property, plant and equipment	28	1
Interest received	315	298
<b>Net cash flows used in investing activities</b>	<u>(1,020)</u>	<u>(523)</u>
<b>Financing Activities</b>		
Net drawdown of short term borrowings	2,319	1,321
Net drawdown/ (repayment) of long term borrowings	58	(183)
Interest paid	(41)	(25)
<b>Net cash flows generated from financing activities</b>	<u>2,336</u>	<u>1,113</u>
<b>Net Change in Cash &amp; Cash Equivalents</b>	(1,959)	(664)
<b>Cash &amp; Cash Equivalents at the beginning of the financial period</b>	11,367	11,710
<b>Effects of the exchange rate changes</b>	-	-
<b>Cash &amp; Cash Equivalents at the end of the financial period</b>	<u>9,408</u>	<u>11,046</u>
<b>Cash and cash equivalents at the end of the financial period comprise of the following:</b>		
Cash and bank balances	1,674	2,847
Deposits with financial institution	10,901	11,342
Bank overdrafts	(3,167)	(3,143)
	<u>9,408</u>	<u>11,046</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 2017 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 2018**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

	<-----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 2018</b>	29,933	744	(1,619)	29,058	18	29,076
Total comprehensive loss for the financial period	-	(66)	(1,578)	(1,644)	(1)	(1,645)
<b>At 30 September 2018</b>	29,933	678	(3,197)	27,414	17	27,431
<b>At 1 January 2017</b>	29,933	884	(2,680)	28,137	18	28,155
Total comprehensive loss for the financial period	-	(75)	(174)	(249)	-	(249)
<b>At 30 September 2017</b>	29,933	809	(2,854)	27,888	18	27,906

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 2017 and the accompanying explanatory notes attached to the interim financial statements.