

HWA TAI INDUSTRIES BERHAD (Company No. 19688-V)
INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
|---|-------------------------|--|-------------------------|---|
| | 31-Dec-19 RM'000 | 31-Dec-18 RM'000 | 31-Dec-19 RM'000 | 31-Dec-18 RM'000 (Audited) |
| Revenue | 18,790 | 18,287 | 65,353 | 64,739 |
| Operating Expenses | (18,430) | (20,633) | (67,771) | (67,405) |
| Other Operating Income | 436 | 392 | 1,351 | 833 |
| Finance Cost | (254) | (214) | (992) | (878) |
| Share Of Results Of An Associated Company | (413) | (182) | (413) | (589) |
| Profit/(Loss) Before Taxation | 129 | (2,350) | (2,472) | (3,300) |
| Taxation | 199 | - | 254 | (629) |
| Profit/(Loss) For The Year | 328 | (2,350) | (2,218) | (3,929) |
| Other Comprehensive Income, Net Of Items That Will Be Reclassified Subsequently To Profit Or Loss Translation Reserves | 14 | (324) | (41) | (390) |
| Total Comprehensive Income/(Loss) For The Year | 342 | (2,674) | (2,259) | (4,319) |
| Profit/(Loss) For The Year Attributable To: | | | | |
| Owners Of The Company | 327 | (2,338) | (2,221) | (3,916) |
| Non-Controlling Interests | 1 | (12) | 3 | (13) |
| | 328 | (2,350) | (2,218) | (3,929) |
| Total Comprehensive Income/(Loss) For The Year Attributable To: | | | | |
| Owners Of The Company | 341 | (2,662) | (2,262) | (4,306) |
| Non-Controlling Interests | 1 | (12) | 3 | (13) |
| | 342 | (2,674) | (2,259) | (4,319) |
| Earning/(Loss) Per Share Attributable To Owners Of The Company | | | | |
| Basic (sen) | 0.44 | (3.12) | (2.97) | (5.23) |
| 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 financial year ended 31 December 2018 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 YEAR ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 31-Dec-19 RM'000 | As at 31-Dec-18 RM'000 (Audited) |
|--|---------------------------------------|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 13,721 | 13,881 |
| Prepaid land lease payments | - | 940 |
| Right-of-use assets | 1,318 | - |
| Investment in an associated company | - | - |
| Trade and other receivables | - | 655 |
| | <u>15,039</u> | <u>15,476</u> |
| Current assets | | |
| Inventories | 8,227 | 8,037 |
| Trade and other receivables | 25,965 | 21,031 |
| Prepayments | 282 | 182 |
| Tax recoverable | 250 | 62 |
| Other investment | 1 | 1 |
| Cash, bank balances and short-term deposits | 9,073 | 13,049 |
| | <u>43,798</u> | <u>42,362</u> |
| TOTAL ASSETS | <u><u>58,837</u></u> | <u><u>57,838</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to Owners of the Company | | |
| Share capital | 29,933 | 29,933 |
| Translation reserves | 313 | 354 |
| Accumulated losses | (7,756) | (5,535) |
| | <u>22,490</u> | <u>24,752</u> |
| Non-controlling interests | <u>8</u> | <u>5</u> |
| Total equity | <u><u>22,498</u></u> | <u><u>24,757</u></u> |
| Non-current liability | | |
| Loans and borrowings | <u>1,211</u> | <u>548</u> |
| Current liabilities | | |
| Trade and other payables | 17,451 | 16,750 |
| Contract liability | 2,021 | 1,478 |
| Loans and borrowings | 15,656 | 14,305 |
| | <u>35,128</u> | <u>32,533</u> |
| Total liabilities | <u>36,339</u> | <u>33,081</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>58,837</u></u> | <u><u>57,838</u></u> |
| Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (sen) | 30.05 | 33.08 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 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 YEAR ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 12 months ended 31-Dec-19 RM'000 | 12 months ended 31-Dec-18 RM'000 (Audited) |
|--|---|---|
| Loss before taxation | (2,472) | (3,300) |
| Adjustments for non-cash items:- | | |
| Impairment loss on receivables | 811 | 1,806 |
| Amortisation of prepaid land lease payments | - | 43 |
| Depreciation of property, plant and equipment | 2,107 | 2,292 |
| Depreciation of right-of-use assets | 155 | - |
| Interest income | (307) | (421) |
| Interest expense | 992 | 878 |
| Share of results of an associated company | 413 | 589 |
| Reversal of impairment loss on receivables | (912) | (323) |
| Reversal of impairment loss on investment of an associated company | (454) | - |
| Non-cash and operating items - others | (77) | 786 |
| | <u>256</u> | <u>2,350</u> |
| Changes in working capital:- | | |
| Inventories | (190) | (394) |
| Receivables | (4,102) | 1,659 |
| Prepayments | (100) | 30 |
| Payables | 1,245 | (2,014) |
| Payment of finance cost | (894) | (822) |
| Net payment of income tax | 65 | (1,182) |
| | <u>(3,976)</u> | <u>(2,723)</u> |
| Net cash flows used in operating activities | <u>(3,720)</u> | <u>(373)</u> |
| Investing Activities | | |
| Purchase of property, plant and equipment | (1,331) | (1,936) |
| Proceeds from disposal of property, plant and equipment | 76 | 28 |
| Interest received | 307 | 421 |
| Net cash flows used in investing activities | <u>(948)</u> | <u>(1,487)</u> |
| Financing Activities | | |
| Net drawdown of short term borrowings | 1,466 | 156 |
| Net repayment of long term borrowings | (422) | (119) |
| Interest paid | (55) | (56) |
| Net cash flows generated from/(used in) financing activities | <u>989</u> | <u>(19)</u> |
| Net Change in Cash & Cash Equivalents | <u>(3,679)</u> | <u>(1,879)</u> |
| Cash & Cash Equivalents at the beginning of the financial year | 9,489 | 11,367 |
| Effects of the exchange rate changes | <u>-</u> | <u>1</u> |
| Cash & Cash Equivalents at the end of the financial year | <u><u>5,810</u></u> | <u><u>9,489</u></u> |
| Cash and cash equivalents at the end of the financial year comprise of the following: | | |
| Cash and bank balances | 2,976 | 2,055 |
| Deposits with financial institution | 6,097 | 10,994 |
| Bank overdrafts | (3,263) | (3,560) |
| | <u>5,810</u> | <u>9,489</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 2018 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 YEAR ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | <-----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 |
| At 1 January 2019 | 29,933 | 354 | (5,535) | 24,752 | 5 | 24,757 |
| Total comprehensive loss for the financial year | - | (41) | (2,221) | (2,262) | 3 | (2,259) |
| At 31 December 2019 | <u>29,933</u> | <u>313</u> | <u>(7,756)</u> | <u>22,490</u> | <u>8</u> | <u>22,498</u> |
| At 1 January 2018 | 29,933 | 744 | (1,619) | 29,058 | 18 | 29,076 |
| Total comprehensive loss for the financial year | - | (390) | (3,916) | (4,306) | (13) | (4,319) |
| At 31 December 2018 | <u>29,933</u> | <u>354</u> | <u>(5,535)</u> | <u>24,752</u> | <u>5</u> | <u>24,757</u> |

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 2018 and the accompanying explanatory notes attached to the interim financial statements.