

TONG HERR RESOURCES BERHAD
(Company No.432139-W)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2011
(Financial Year Ended 31 December 2011)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 31-Dec-11 RM'000	(Unaudited) Quarter Ended 31-Dec-10 RM'000	(Unaudited) Year Ended 31-Dec-11 RM'000	(Audited) Year Ended 31-Dec-10 RM'000
Revenue	143,773	125,637	601,047	344,279
Cost of Sales	<u>(131,310)</u>	<u>(113,854)</u>	<u>(529,255)</u>	<u>(305,588)</u>
Gross Profit	12,463	11,783	71,792	38,691
Other income	(2,530)	3,451	2,617	12,027
Administrative and general expenses	(158)	(54)	(14,092)	(5,939)
Distribution costs	(2,953)	(5,250)	(10,525)	(7,750)
Share of results of associates	387	(5)	360	(6)
Finance costs	<u>(583)</u>	<u>(146)</u>	<u>(1,561)</u>	<u>(856)</u>
Profit Before Tax	6,626	9,779	48,591	36,167
Income tax expenses	2,103	(884)	(1,006)	(4,421)
Profit For The Period/ Year	<u>8,729</u>	<u>8,895</u>	<u>47,585</u>	<u>31,746</u>
Other comprehensive income				
Currency translation differences for foreign operations	(2,058)	(5,690)	362	(5,116)
Share of other comprehensive income of associates	13	1,146	(2,432)	(616)
	<u>(2,045)</u>	<u>(4,544)</u>	<u>(2,070)</u>	<u>(5,732)</u>
Total comprehensive income for the period/ year	<u>6,684</u>	<u>4,351</u>	<u>45,515</u>	<u>26,014</u>
Profit for the period attributable to:				
Owners of the Company	8,414	6,915	36,952	25,387
Non-controlling interests	315	1,980	10,633	6,359
	<u>8,729</u>	<u>8,895</u>	<u>47,585</u>	<u>31,746</u>
Total comprehensive income attributable to:				
Owners of the Company	7,189	2,138	35,485	19,724
Non-controlling interests	(505)	2,213	10,030	6,290
	<u>6,684</u>	<u>4,351</u>	<u>45,515</u>	<u>26,014</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period/year (sen)	<u>6.61</u>	<u>5.43</u>	<u>29.04</u>	<u>19.93</u>
Diluted, for profit for the period/year (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD
(Company No.432139-W)
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AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011
(Financial Year Ended 31 December 2011)

	(Unaudited) 31 December 2011 RM'000	(Audited) 31 December 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	135,819	116,984
Prepaid lease payments	6,683	6,881
Investment properties	0	173
Investment in associates	59,572	60,091
	<u>202,074</u>	<u>184,129</u>
Current assets		
Inventories	195,402	185,033
Trade and other receivables	61,414	55,297
Financial assets at fair value through profit or loss	299	802
Prepayments	1,048	7,603
Current tax assets	1,754	1,741
Cash and cash equivalents	87,408	76,014
	<u>347,325</u>	<u>326,490</u>
TOTAL ASSETS	<u>549,399</u>	<u>510,619</u>
EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(628)	(230)
Currency translation reserve	(6,370)	(4,903)
Retained profits	200,780	171,467
Equity attributable to owners of the Company	<u>321,212</u>	<u>293,764</u>
Non-controlling interests	<u>79,392</u>	<u>73,479</u>
Total equity	<u>400,604</u>	<u>367,243</u>
Non-current liabilities		
Deferred tax liabilities	5,710	6,355
Loans and borrowings	3,025	29
	<u>8,735</u>	<u>6,384</u>
Current Liabilities		
Loans and borrowings	120,781	108,485
Trade and other payables	17,972	27,897
Financial liabilities at fair value through profit or loss	577	0
Current tax liabilities	730	610
	<u>140,060</u>	<u>136,992</u>
TOTAL LIABILITIES	<u>148,795</u>	<u>143,376</u>
TOTAL EQUITY AND LIABILITIES	<u>549,399</u>	<u>510,619</u>
Net assets per share attributable to owners of the Company (sen)	<u>252</u>	<u>231</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011
(Financial Year Ended 31 December 2011)

	Non-Distributable			Distributable*		Non-controlling interests	Total Equity
	Share Capital	Treasury Shares	Currency Translation Reserves	Retained profits	Equity attributable to owners of the Company		
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2011	127,430	(230)	(4,903)	171,467	293,764	73,479	367,243
Total comprehensive income	0	0	(1,467)	36,952	35,485	10,030	45,515
Purchase of own shares	0	(398)	0	0	(398)	0	(398)
Dividend paid to:-							
- Owners of the Company	0	0	0	(7,639)	(7,639)	0	(7,639)
- Non-controlling interests	0	0	0	0	0	(3,920)	(3,920)
Disposal of a subsidiary	0	0	0	0	0	(197)	(197)
At 31 December 2011	<u>127,430</u>	<u>(628)</u>	<u>(6,370)</u>	<u>200,780</u>	<u>321,212</u>	<u>79,392</u>	<u>400,604</u>
At 1 January 2010							
As previously reported	127,430	(63)	760	152,246	280,373	29,542	309,915
Effect of adopting FRS 139	0	0	0	105	105	0	105
As adjusted	<u>127,430</u>	<u>(63)</u>	<u>760</u>	<u>152,351</u>	<u>280,478</u>	<u>29,542</u>	<u>310,020</u>
Total comprehensive income	0	0	(5,663)	25,387	19,724	6,290	26,014
Purchase of own shares	0	(167)	0	0	(167)	0	(167)
Acquisition of subsidiaries	0	0	0	0	0	40,236	40,236
Dividend paid to:-							
- Owners of the Company	0	0	0	(6,370)	(6,370)	0	(6,370)
- Non-controlling interests	0	0	0	0	0	(2,450)	(2,450)
Purchase of shares from non-controlling interests	0	0	0	99	99	(139)	(40)
At 31 December 2010	<u>127,430</u>	<u>(230)</u>	<u>(4,903)</u>	<u>171,467</u>	<u>293,764</u>	<u>73,479</u>	<u>367,243</u>

* Retained profits as at 31 December 2011 amounting RM 627,897 (31 Dec 2010: RM229,587), being the total cost of the treasury shares purchased, are considered as non-distributable.

(The Unaudited Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

TONG HERR RESOURCES BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011
(Financial Year Ended 31 December 2011)

	(Unaudited) Year Ended 31-Dec-11 RM'000	(Audited) Year Ended 31-Dec-10 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	48,591	36,167
Adjustments for:-		
Non-cash items	25,129	5,243
Non-operating items	(654)	(1,678)
	<u>73,066</u>	<u>39,732</u>
Changes in working capitals	(27,145)	(78,527)
Cash generated/(absorbed by) operations	<u>45,921</u>	<u>(38,795)</u>
Net income tax paid	(1,557)	(1,320)
Net cash from/(used in) operating activities	<u>44,364</u>	<u>(40,115)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of disposal of property, plant and equipments	(35,927)	(7,166)
Net cash inflow/(outflow) from the disposal/acquisition of subsidiaries	806	(23,205)
Purchase of investment in associates	0	(65,687)
Interest received	2,087	2,377
Others	364	389
Net cash used in investing activities	<u>(32,670)</u>	<u>(93,292)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in bank borrowings, net	13,576	63,903
Dividends paid to shareholders of the Company	(7,639)	(6,370)
Dividends paid to minority shareholders	(3,920)	(2,450)
Interest paid	(1,455)	(741)
Purchase of own shares	(398)	(168)
Net cash from financing activities	<u>164</u>	<u>54,174</u>
Net increase/(decrease) in cash and cash equivalents	<u>11,858</u>	<u>(79,233)</u>
Effect of exchange rate changes	(474)	(99)
Cash and cash equivalents at beginning of financial year	75,999	155,331
Cash and cash equivalents at end of financial year	<u><u>87,383</u></u>	<u><u>75,999</u></u>

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

	As at 31-Dec-11 RM'000	As at 31-Dec-10 RM'000
Cash and bank balances	87,408	76,014
Bank overdrafts	(25)	(15)
	<u><u>87,383</u></u>	<u><u>75,999</u></u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)