

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 June 2012
(Financial Year Ending 31 December 2012)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 30-Jun-12 RM'000	(Unaudited) Quarter Ended 30-Jun-11 RM'000	(Unaudited) Quarter Ended 30-Jun-12 RM'000	(Unaudited) Quarter Ended 30-Jun-11 RM'000
Revenue	120,228	165,587	268,179	308,899
Cost of Sales	<u>(107,361)</u>	<u>(143,139)</u>	<u>(243,642)</u>	<u>(265,826)</u>
Gross Profit	12,867	22,448	24,537	43,073
Other income	1,131	2,231	5,574	2,659
Administrative and general expenses	(2,998)	(2,944)	(5,462)	(5,700)
Distribution costs	(2,803)	(2,841)	(5,065)	(5,090)
Share of results of associates	7	(299)	300	(181)
Finance costs	<u>(375)</u>	<u>(331)</u>	<u>(774)</u>	<u>(600)</u>
Profit Before Tax	7,829	18,264	19,110	34,161
Income tax expenses	(1,129)	(3,041)	(2,852)	(1,379)
Profit For The Period	<u>6,700</u>	<u>15,223</u>	<u>16,258</u>	<u>32,782</u>
Other comprehensive income				
Currency translation differences for foreign operations	2,686	(1,334)	(6)	(4,005)
Share of other comprehensive income of associates	(71)	855	511	(1,047)
	2,615	(479)	505	(5,052)
Total comprehensive income for the period	<u>9,315</u>	<u>14,744</u>	<u>16,763</u>	<u>27,730</u>
Profit for the period attributable to:				
Owners of the Company	3,755	11,453	10,423	24,478
Non-controlling interests	<u>2,945</u>	<u>3,770</u>	<u>5,835</u>	<u>8,304</u>
	<u>6,700</u>	<u>15,223</u>	<u>16,258</u>	<u>32,782</u>
Total comprehensive income attributable to:				
Owners of the Company	6,093	11,594	11,022	20,828
Non-controlling interests	<u>3,222</u>	<u>3,150</u>	<u>5,741</u>	<u>6,902</u>
	<u>9,315</u>	<u>14,744</u>	<u>16,763</u>	<u>27,730</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>2.96</u>	<u>9.00</u>	<u>8.22</u>	<u>19.23</u>
Diluted, for profit for the period (sen)	<u>2.96</u>	<u>9.00</u>	<u>8.22</u>	<u>19.23</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 2011 and the accompanying explanatory notes attached to the interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012
(Financial Year Ending 31 December 2012)

	(Unaudited) 30 June 2012 RM'000	(Audited) 31 December 2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	144,131	134,974
Prepaid lease payments	6,601	6,683
Investment in associates	60,520	59,503
	<u>211,252</u>	<u>201,160</u>
Current assets		
Inventories	146,532	195,138
Trade and other receivables	50,883	61,420
Financial assets at fair value through profit or loss	0	299
Prepayments	2,115	1,891
Current tax assets	1,382	1,764
Cash and cash equivalents	101,392	87,404
	<u>302,304</u>	<u>347,916</u>
TOTAL ASSETS	<u>513,556</u>	<u>549,076</u>
 EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(1,249)	(628)
Currency translation reserve	(5,642)	(6,241)
Retained profits	182,907	200,382
Equity attributable to owners of the Company	<u>303,446</u>	<u>320,943</u>
Non-controlling interests	<u>85,117</u>	<u>79,394</u>
Total equity	<u>388,563</u>	<u>400,337</u>
 Non-current liabilities		
Deferred tax liabilities	5,631	5,644
Loans and borrowings	6,423	3,026
	<u>12,054</u>	<u>8,670</u>
 Current Liabilities		
Loans and borrowings	93,580	120,779
Trade and other payables	18,625	17,983
Financial liabilities at fair value through profit or loss	12	577
Current tax liabilities	722	730
	<u>112,939</u>	<u>140,069</u>
TOTAL LIABILITIES	<u>124,993</u>	<u>148,739</u>
TOTAL EQUITY AND LIABILITIES	<u>513,556</u>	<u>549,076</u>
 Net assets per share attributable to owners of the Company (sen)		
	<u>239</u>	<u>253</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 2011 and the accompanying explanatory notes attached to the interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2012
(Financial Year Ending 31 December 2012)

	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 2012	127,430	(628)	(6,241)	200,382	320,943	79,394	400,337
Total comprehensive income	0	0	599	10,423	11,022	5,741	16,763
Purchase of own shares	0	(621)	0	0	(621)	0	(621)
Issue of shares to non-controlling interests	0	0	0	0	0	28,651	28,651
Dividends paid:-							
- Owners of the Company	0	0	0	(27,897)	(27,897)	0	(27,897)
- Non-controlling interests	0	0	0	0	0	(28,669)	(28,669)
At 30 June 2012	<u>127,430</u>	<u>(1,249)</u>	<u>(5,642)</u>	<u>182,908</u>	<u>303,447</u>	<u>85,117</u>	<u>388,564</u>
At 1 January 2011	127,430	(230)	(4,903)	171,467	293,764	73,479	367,243
Total comprehensive income	0	0	(3,650)	24,478	20,828	6,902	27,730
Dividend paid to owners of the Company	0	0	0	(7,639)	(7,639)	0	(7,639)
At 30 June 2011	<u>127,430</u>	<u>(230)</u>	<u>(8,553)</u>	<u>188,306</u>	<u>306,953</u>	<u>80,381</u>	<u>387,334</u>

* Retained profits as at 30 June 2012 amounting RM 1,249,378 (30 June 2011: 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 2011 and the accompanying explanatory notes attached to the interim financial statements)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2012
(Financial Year Ending 31 December 2012)

	(Unaudited) Quarter Ended 30-Jun-12 RM'000	(Unaudited) Quarter Ended 30-Jun-11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	19,110	34,161
Adjustments for:-		
Non-cash items	8,183	12,280
Non-operating items	(464)	(35)
	26,829	46,406
Changes in working capitals	59,472	(49,430)
	86,301	(3,024)
Cash generated/(absorbed by) operations	86,301	(3,024)
Net income tax paid	(2,490)	(2,664)
Net cash from/(used in) operating activities	83,811	(5,688)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(17,113)	(8,003)
Proceeds from disposal of property, plant and equipments	0	159
Interest received	1,308	820
Net cash used in investing activities	(15,805)	(7,024)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/Increase in bank borrowings, net	(28,178)	42,594
Term loans raised	3,599	0
Dividends paid to shareholders of the Company	(27,897)	(7,639)
Dividends paid to non-controlling interests	(28,669)	0
Issue of shares to non-controlling interest	28,651	0
Interest paid	(1,097)	(643)
Purchase of own shares	(621)	0
Increase of fixed deposits pledged	(575)	0
Net cash (used in)/from financing activities	(54,787)	34,312
Net increase in cash and cash equivalents	13,219	21,600
Effect of exchange rate changes	219	(1,662)
Cash and cash equivalents at beginning of financial period	87,379	75,999
Cash and cash equivalents at end of financial period	100,817	95,937

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

	As at 30-Jun-12 RM'000	As at 30-Jun-11 RM'000
Cash and bank balances	101,392	96,262
Less: Fixed deposits pledged with bank	(575)	-
Bank overdrafts	-	(325)
	100,817	95,937

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)