

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 30-Sep-12 RM'000	(Unaudited) Quarter Ended 30-Sep-11 RM'000	(Unaudited) Quarter Ended 30-Sep-12 RM'000	(Unaudited) Quarter Ended 30-Sep-11 RM'000
Revenue	112,088	148,375	380,267	457,274
Cost of Sales	<u>(101,621)</u>	<u>(132,119)</u>	<u>(345,263)</u>	<u>(397,945)</u>
Gross Profit	10,467	16,256	35,004	59,329
Other income	1,610	2,488	7,184	5,147
Administrative and general expenses	(2,755)	(8,234)	(8,217)	(13,934)
Distribution costs	(2,216)	(2,482)	(7,281)	(7,572)
Share of results of associates	(2,795)	154	(2,495)	(27)
Finance costs	(326)	(378)	(1,100)	(978)
Profit Before Tax	3,985	7,804	23,095	41,965
Income tax expenses	(1,889)	(1,730)	(4,741)	(3,109)
Profit For The Period	<u>2,096</u>	<u>6,074</u>	<u>18,354</u>	<u>38,856</u>
Other comprehensive income				
Currency translation differences for foreign operations	(2,791)	6,425	(2,797)	2,420
Share of other comprehensive income of associates	(1,006)	(1,398)	(495)	(2,445)
	(3,797)	5,027	(3,292)	(25)
Total comprehensive (expense)/income for the period	<u>(1,701)</u>	<u>11,101</u>	<u>15,062</u>	<u>38,831</u>
Profit for the period attributable to:				
Owners of the Company	695	4,060	11,118	28,538
Non-controlling interests	1,401	2,014	7,236	10,318
	<u>2,096</u>	<u>6,074</u>	<u>18,354</u>	<u>38,856</u>
Total comprehensive income attributable to:				
Owners of the Company	(2,818)	7,468	8,204	28,296
Non-controlling interests	1,117	3,633	6,858	10,535
	<u>(1,701)</u>	<u>11,101</u>	<u>15,062</u>	<u>38,831</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>0.55</u>	<u>3.19</u>	<u>8.77</u>	<u>22.43</u>
Diluted, for profit for the period (sen)	<u>0.55</u>	<u>3.19</u>	<u>8.77</u>	<u>22.43</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 SEPTEMBER 2012
(Financial Year Ending 31 December 2012)

	(Unaudited) 30 September 2012 RM'000	(Audited) 31 December 2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	153,411	134,974
Prepaid lease payments	6,560	6,683
Investment in associates	54,455	59,503
	<u>214,426</u>	<u>201,160</u>
Current assets		
Inventories	149,434	195,138
Trade and other receivables	49,625	61,420
Financial assets at fair value through profit or loss	0	299
Prepayments	1,616	1,891
Current tax assets	695	1,764
Cash and cash equivalents	98,363	87,404
	<u>299,733</u>	<u>347,916</u>
TOTAL ASSETS	<u>514,159</u>	<u>549,076</u>
 EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(1,263)	(628)
Currency translation reserve	(9,155)	(6,241)
Retained profits	183,603	200,382
Equity attributable to owners of the Company	<u>300,615</u>	<u>320,943</u>
Non-controlling interests	<u>84,764</u>	<u>79,394</u>
Total equity	<u>385,379</u>	<u>400,337</u>
 Non-current liabilities		
Deferred tax liabilities	5,631	5,644
Loans and borrowings	11,195	3,026
	<u>16,826</u>	<u>8,670</u>
 Current Liabilities		
Loans and borrowings	87,060	120,779
Trade and other payables	24,071	17,983
Financial liabilities at fair value through profit or loss	101	577
Current tax liabilities	722	730
	<u>111,954</u>	<u>140,069</u>
TOTAL LIABILITIES	<u>128,780</u>	<u>148,739</u>
TOTAL EQUITY AND LIABILITIES	<u>514,159</u>	<u>549,076</u>
 Net assets per share attributable to owners of the Company (sen)		
	<u>237</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
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012
(Financial Year Ending 31 December 2012)

	Non-Distributable			Distributable*		Non-controlling interests (RM'000)	Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Shares (RM'000)	Currency Translation Reserves (RM'000)	Retained profits (RM'000)	Equity attributable to owners of the Company (RM'000)		
At 1 January 2012	127,430	(628)	(6,241)	200,382	320,943	79,394	400,337
Total comprehensive income	0	0	(2,914)	11,118	8,204	6,858	15,062
Purchase of own shares	0	(635)	0	0	(635)	0	(635)
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	(30,139)	(30,139)
At 30 September 2012	<u>127,430</u>	<u>(1,263)</u>	<u>(9,155)</u>	<u>183,603</u>	<u>300,615</u>	<u>84,764</u>	<u>385,379</u>
At 1 January 2011	127,430	(230)	(4,903)	171,467	293,764	73,479	367,243
Total comprehensive income	0	0	(242)	28,538	28,296	10,535	38,831
Purchase of own shares	0	(398)	0	0	(398)	0	(398)
Dividends paid:-							
- Owners of the Company	0	0	0	(7,639)	(7,639)	0	(7,639)
- Non-controlling interests	0	0	0	0	0	(1,470)	(1,470)
At 30 September 2011	<u>127,430</u>	<u>(628)</u>	<u>(5,145)</u>	<u>192,366</u>	<u>314,023</u>	<u>82,544</u>	<u>396,567</u>

* Retained profits as at 30 September 2012 amounting RM 1,263,156 (30 September 2011: RM627,897), 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)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012
(Financial Year Ending 31 December 2012)

	(Unaudited) Quarter Ended 30-Sep-12 RM'000	(Unaudited) Quarter Ended 30-Sep-11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	23,095	41,965
Adjustments for:-		
Non-cash items	14,922	24,773
Non-operating items	(735)	(601)
	<u>37,282</u>	<u>66,137</u>
Changes in working capitals	62,131	(36,288)
	<u>99,413</u>	<u>29,849</u>
Cash generated/(absorbed by) operations	99,413	29,849
Net income tax paid	(3,692)	(720)
	<u>95,721</u>	<u>29,129</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(30,445)	(28,840)
Proceeds from disposal of property, plant and equipments	0	159
Interest received	1,904	1,455
	<u>(28,541)</u>	<u>(27,226)</u>
Net cash used in investing activities	(28,541)	(27,226)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/Increase in bank borrowings, net	(36,209)	42,571
Term loans raised	11,762	0
Dividends paid to shareholders of the Company	(27,897)	(7,639)
Dividends paid to non-controlling interests	(30,139)	(1,470)
Issue of shares to non-controlling interest	28,651	0
Interest paid	(1,501)	(1,010)
Purchase of own shares	(635)	(398)
Increase of fixed deposits pledged	(575)	0
	<u>(56,543)</u>	<u>32,054</u>
Net cash (used in)/from financing activities	(56,543)	32,054
Net increase in cash and cash equivalents	10,637	33,957
Effect of exchange rate changes	(228)	1,018
Cash and cash equivalents at beginning of financial period	87,379	75,999
	<u>97,788</u>	<u>110,974</u>
Cash and cash equivalents at end of financial period	<u>97,788</u>	<u>110,974</u>

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

	As at 30-Sep-12 RM'000	As at 30-Sep-11 RM'000
Cash and bank balances	98,363	111,168
Non-current assets held for sale	0	10
Less: Fixed deposits pledged with bank	(575)	-
Bank overdrafts - Non-current liabilities held for sale	-	(204)
	<u>97,788</u>	<u>110,974</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 2011 and the accompanying explanatory notes attached to the interim financial statements.)