

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

INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2012
(Financial Year Ended 31 December 2012)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 31-Dec-12 RM'000	(Unaudited) Quarter Ended 31-Dec-11 RM'000	(Unaudited) Year Ended 31-Dec-12 RM'000	(Audited) Year Ended 31-Dec-11 RM'000
Revenue	103,886	143,791	484,153	601,065
Cost of Sales	<u>(96,625)</u>	<u>(131,577)</u>	<u>(441,888)</u>	<u>(529,522)</u>
Gross Profit	7,261	12,214	42,265	71,543
Other income	2,687	(2,529)	9,871	2,618
Administrative and general expenses	(1,610)	251	(9,827)	(13,683)
Distribution costs	(3,558)	(3,383)	(10,839)	(10,955)
Share of results of associates	2,067	186	(428)	159
Finance costs	<u>(384)</u>	<u>(577)</u>	<u>(1,484)</u>	<u>(1,555)</u>
Profit Before Tax	6,463	6,162	29,558	48,127
Income tax expenses	24	2,168	(4,717)	(941)
Profit For The Period/Year	<u>6,487</u>	<u>8,330</u>	<u>24,841</u>	<u>47,186</u>
Other comprehensive income/(expenses)				
Currency translation differences for foreign operations	421	(2,056)	(2,376)	364
Share of other comprehensive income of associates	1,236	142	741	(2,303)
	1,657	(1,914)	(1,635)	(1,939)
Total comprehensive income for the period/ year	<u>8,144</u>	<u>6,416</u>	<u>23,206</u>	<u>45,247</u>
Profit for the period/year attributable to:				
Owners of the Company	3,837	8,016	14,955	36,554
Non-controlling interests	<u>2,650</u>	<u>314</u>	<u>9,886</u>	<u>10,632</u>
	<u>6,487</u>	<u>8,330</u>	<u>24,841</u>	<u>47,186</u>
Total comprehensive income attributable to:				
Owners of the Company	5,270	6,919	13,474	35,215
Non-controlling interests	<u>2,874</u>	<u>(503)</u>	<u>9,732</u>	<u>10,032</u>
	<u>8,144</u>	<u>6,416</u>	<u>23,206</u>	<u>45,247</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period/ year (sen)	<u>3.03</u>	<u>6.30</u>	<u>11.80</u>	<u>28.73</u>
Diluted, for profit for the period/ year (sen)	<u>3.03</u>	<u>6.30</u>	<u>11.80</u>	<u>28.73</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 31 DECEMBER 2012
(Financial Year Ended 31 December 2012)

	(Unaudited) 31 December 2012 RM'000	(Audited) 31 December 2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	162,689	134,974
Prepaid lease payments	6,519	6,683
Investment in associates	57,749	59,503
	<u>226,957</u>	<u>201,160</u>
Current assets		
Inventories	177,533	195,138
Trade and other receivables	43,917	61,420
Financial assets at fair value through profit or loss	0	299
Prepayments	593	1,891
Current tax assets	2,583	1,764
Cash and cash equivalents	95,230	87,404
	<u>319,856</u>	<u>347,916</u>
TOTAL ASSETS	<u>546,813</u>	<u>549,076</u>
EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(1,833)	(628)
Currency translation reserve	(7,722)	(6,241)
Retained profits	187,440	200,382
Equity attributable to owners of the Company	<u>305,315</u>	<u>320,943</u>
Non-controlling interests	<u>84,208</u>	<u>79,394</u>
Total equity	<u>389,523</u>	<u>400,337</u>
Non-current liabilities		
Deferred tax liabilities	6,824	5,644
Loans and borrowings	15,958	3,026
	<u>22,782</u>	<u>8,670</u>
Current Liabilities		
Loans and borrowings	104,823	120,779
Trade and other payables	28,932	17,983
Financial liabilities at fair value through profit or loss	103	577
Current tax liabilities	650	730
	<u>134,508</u>	<u>140,069</u>
TOTAL LIABILITIES	<u>157,290</u>	<u>148,739</u>
TOTAL EQUITY AND LIABILITIES	<u>546,813</u>	<u>549,076</u>
Net assets per share attributable to owners of the Company (sen)	<u>241</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 YEAR ENDED 31 DECEMBER 2012
(Financial Year Ended 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	(1,481)	14,955	13,474	9,732	23,206
Purchase of own shares	0	(1,205)	0	0	(1,205)	0	(1,205)
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	(33,569)	(33,569)
At 31 December 2012	<u>127,430</u>	<u>(1,833)</u>	<u>(7,722)</u>	<u>187,440</u>	<u>305,315</u>	<u>84,208</u>	<u>389,523</u>
At 1 January 2011	127,430	(230)	(4,903)	171,467	293,764	73,479	367,243
Total comprehensive income	0	0	(1,338)	36,554	35,216	10,032	45,248
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	(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>(6,241)</u>	<u>200,382</u>	<u>320,943</u>	<u>79,394</u>	<u>400,337</u>

* Retained profits as at 31 December 2012 amounting RM 1,832,509 (31 December 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
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012
 (Financial Year Ended 31 December 2012)

	(Unaudited) Year Ended 31-Dec-12 RM'000	(Audited) Year Ended 31-Dec-11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	29,558	48,127
Adjustments for:-		
Non-cash items	18,250	24,707
Non-operating items	(939)	(678)
	46,869	72,156
Changes in working capitals	44,483	(26,911)
	91,352	45,245
Cash generated from operations	91,352	45,245
Net income tax paid	(4,434)	(1,567)
Net cash from operating activities	86,918	43,678
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(42,913)	(35,134)
Proceeds from disposal of property, plant and equipments	0	199
Proceeds from disposal of investment property	0	183
Disposal of subsidiary, net of cash disposed of	0	806
Interest received	2,450	2,087
Net cash used in investing activities	(40,463)	(31,859)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/Increase in bank borrowings, net	(21,346)	10,371
Term loans raised	18,623	3,205
Dividends paid to shareholders of the Company	(27,897)	(7,639)
Dividends paid to non-controlling interests	(33,569)	(3,920)
Issue of shares to non-controlling interests	28,651	0
Interest paid	(1,853)	(1,468)
Purchase of own shares	(1,205)	(398)
Increase of fixed deposits pledged	(575)	0
Net cash (used in)/from financing activities	(39,171)	151
Net increase in cash and cash equivalents	7,284	11,970
Effect of exchange rate changes	(8)	(590)
Cash and cash equivalents at beginning of financial year	87,379	75,999
Cash and cash equivalents at end of financial year	94,655	87,379

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

	As at 31-Dec-12 RM'000	As at 31-Dec-11 RM'000
Cash and bank balances	95,230	87,404
Less: Fixed deposits pledged with bank	(575)	-
Bank overdrafts	-	(25)
	94,655	87,379

(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.)