

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 June 2013
(Financial Year Ending 31 December 2013)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 30-Jun-13 RM'000	(Unaudited) Quarter Ended 30-Jun-12 RM'000	(Unaudited) Quarter Ended 30-Jun-13 RM'000	(Unaudited) Quarter Ended 30-Jun-12 RM'000
Revenue	125,167	120,228	257,113	268,179
Cost of Sales	<u>(109,861)</u>	<u>(107,361)</u>	<u>(226,371)</u>	<u>(243,642)</u>
Gross Profit	15,306	12,867	30,742	24,537
Other income	1,636	1,131	2,952	5,574
Administrative and general expenses	(2,962)	(2,998)	(6,684)	(5,462)
Distribution costs	(1,946)	(2,803)	(4,439)	(5,065)
Share of results of associates	(747)	7	(1,324)	300
Finance costs	<u>(391)</u>	<u>(375)</u>	<u>(700)</u>	<u>(774)</u>
Profit Before Tax	10,896	7,829	20,547	19,110
Income tax expenses	(1,931)	(1,129)	(3,704)	(2,852)
Profit For The Period	<u>8,965</u>	<u>6,700</u>	<u>16,843</u>	<u>16,258</u>
Other comprehensive income/(expenses)				
Currency translation differences for foreign operations	(2,270)	2,686	3,555	(6)
Share of other comprehensive income of associates	<u>(1,152)</u>	<u>(71)</u>	<u>(2,467)</u>	<u>511</u>
	(3,422)	2,615	1,088	505
Total comprehensive income for the period	<u>5,543</u>	<u>9,315</u>	<u>17,931</u>	<u>16,763</u>
Profit for the period attributable to:				
Owners of the Company	5,975	3,755	11,226	10,423
Non-controlling interests	<u>2,990</u>	<u>2,945</u>	<u>5,617</u>	<u>5,835</u>
	<u>8,965</u>	<u>6,700</u>	<u>16,843</u>	<u>16,258</u>
Total comprehensive income attributable to:				
Owners of the Company	4,271	6,093	11,453	11,022
Non-controlling interests	<u>1,272</u>	<u>3,222</u>	<u>6,478</u>	<u>5,741</u>
	<u>5,543</u>	<u>9,315</u>	<u>17,931</u>	<u>16,763</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>4.72</u>	<u>2.96</u>	<u>8.88</u>	<u>8.22</u>
Diluted, for profit for the period (sen)	<u>4.72</u>	<u>2.96</u>	<u>8.88</u>	<u>8.22</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 2012 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 2013
(Financial Year Ending 31 December 2013)

	(Unaudited) 30 June 2013 RM'000	(Audited) 31 December 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	161,006	162,689
Prepaid lease payments	6,438	6,519
Investment in associates	55,537	57,450
	<u>222,981</u>	<u>226,658</u>
Current assets		
Inventories	180,566	177,533
Trade and other receivables	59,876	43,918
Financial assets at fair value through profit or loss	(5)	0
Prepayments	1,348	593
Current tax assets	91	2,582
Cash and cash equivalents	111,909	95,230
	<u>353,785</u>	<u>319,856</u>
TOTAL ASSETS	<u>576,766</u>	<u>546,514</u>
 EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(1,927)	(1,833)
Currency translation reserve	(7,494)	(7,721)
Retained profits	193,306	187,139
Equity attributable to owners of the Company	<u>311,315</u>	<u>305,015</u>
Non-controlling interests	<u>90,686</u>	<u>84,208</u>
Total equity	<u>402,001</u>	<u>389,223</u>
 Non-current liabilities		
Deferred tax liabilities	6,806	6,824
Loans and borrowings	14,230	15,958
	<u>21,036</u>	<u>22,782</u>
 Current Liabilities		
Loans and borrowings	130,705	104,823
Trade and other payables	21,356	28,932
Financial liabilities at fair value through profit or loss	25	104
Current tax liabilities	1,643	650
	<u>153,729</u>	<u>134,509</u>
TOTAL LIABILITIES	<u>174,765</u>	<u>157,291</u>
TOTAL EQUITY AND LIABILITIES	<u>576,766</u>	<u>546,514</u>
 Net assets per share attributable to owners of the Company (sen)		
	<u>246</u>	<u>241</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 2012 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 JUNE 2013
(Financial Year Ending 31 December 2013)

	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 2013	127,430	(1,833)	(7,721)	187,139	305,015	84,208	389,223
Total comprehensive income	0	0	227	11,226	11,453	6,478	17,931
Purchase of own shares	0	(94)	0	0	(94)	0	(94)
Dividends paid:- - Owners of the Company	0	0	0	(5,059)	(5,059)	0	(5,059)
At 30 June 2013	<u>127,430</u>	<u>(1,927)</u>	<u>(7,494)</u>	<u>193,306</u>	<u>311,315</u>	<u>90,686</u>	<u>402,001</u>
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>

* Retained profits as at 30 June 2013 amounting RM 1,927,371 (30 June 2012: RM1,249,378), 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 2012 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 PERIOD ENDED 30 JUNE 2013
(Financial Year Ending 31 December 2013)

	(Unaudited) Quarter Ended 30-Jun-13 RM'000	(Unaudited) Quarter Ended 30-Jun-12 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	20,547	19,110
Adjustments for:-		
Non-cash items	12,086	8,183
Non-operating items	(412)	(464)
	32,221	26,829
Changes in working capitals	(28,895)	59,472
	3,326	86,301
Cash generated from operations		
Net income tax paid	(238)	(2,490)
	3,088	83,811
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(4,480)	(17,113)
Proceeds from disposal of property, plant and equipments	4	0
Interest received	1,151	1,308
	(3,325)	(15,805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in bank borrowings, net	23,657	(28,178)
Term loans raised	(1,014)	3,599
Dividends paid to shareholders of the Company	(5,059)	(27,897)
Dividends paid to non-controlling interests	0	(28,669)
Issue of shares to non-controlling interests	0	28,651
Interest paid	(680)	(1,097)
Purchase of own shares	(94)	(621)
Increase of fixed deposits pledged	0	(575)
	16,810	(54,787)
Net cash from/(used in) financing activities		
Net increase in cash and cash equivalents	16,573	13,219
Effect of exchange rate changes	106	219
Cash and cash equivalents at beginning of financial period	94,655	87,379
	111,334	100,817

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

	As at 30-Jun-13 RM'000	As at 30-Jun-12 RM'000
Cash and bank balances	111,909	101,392
Less: Fixed deposits pledged with bank	(575)	(575)
	111,334	100,817

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)