

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

INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2013
(Financial Year Ended 31 December 2013)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 31-Dec-13 RM'000	(Unaudited) Quarter Ended 31-Dec-12 RM'000	(Unaudited) Year Ended 31-Dec-13 RM'000	(Audited) Year Ended 31-Dec-12 RM'000
Revenue	124,297	104,131	519,999	484,398
Cost of Sales	<u>(112,336)</u>	<u>(96,870)</u>	<u>(458,361)</u>	<u>(442,133)</u>
Gross Profit	11,961	7,261	61,638	42,265
Other income	1,150	2,687	3,624	9,871
Distribution costs	(5,340)	(3,558)	(12,277)	(10,839)
Administrative and general expenses	(5,561)	(1,610)	(16,314)	(9,827)
Finance costs	(488)	(384)	(1,617)	(1,484)
Share of results of associates	<u>(962)</u>	<u>1,766</u>	<u>(4,945)</u>	<u>(729)</u>
Profit Before Tax	760	6,162	30,109	29,257
Tax expenses	994	24	(5,885)	(4,717)
Profit For The Period/ Year	<u>1,754</u>	<u>6,186</u>	<u>24,224</u>	<u>24,540</u>
Other comprehensive (expenses)/income				
Currency translation differences for foreign operations	(3,791)	421	3,684	(2,375)
Share of other comprehensive income of associates	895	1,238	(971)	742
Reclassification adjustment upon change in ownership in associates	<u>228</u>	<u>0</u>	<u>228</u>	<u>0</u>
	(2,668)	1,659	2,941	(1,633)
Total comprehensive (expenses)/ income for the period/ year	<u>(914)</u>	<u>7,845</u>	<u>27,165</u>	<u>22,907</u>
Profit for the period/ year attributable to:				
Owners of the Company	2,095	3,536	16,982	14,654
Non-controlling interests	<u>(341)</u>	<u>2,650</u>	<u>7,242</u>	<u>9,886</u>
	<u>1,754</u>	<u>6,186</u>	<u>24,224</u>	<u>24,540</u>
Total comprehensive (expenses)/ income attributable to:				
Owners of the Company	1,588	4,971	20,153	13,174
Non-controlling interests	<u>(2,502)</u>	<u>2,874</u>	<u>7,012</u>	<u>9,733</u>
	<u>(914)</u>	<u>7,845</u>	<u>27,165</u>	<u>22,907</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period/ year (sen)	<u>1.66</u>	<u>2.79</u>	<u>13.43</u>	<u>11.56</u>
Diluted, for profit for the period/ year (sen)	<u>1.66</u>	<u>2.79</u>	<u>13.43</u>	<u>11.56</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)
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AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013
(Financial Year Ended 31 December 2013)

	(Unaudited) 31 December 2013 RM'000	(Audited) 31 December 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	153,717	162,689
Prepaid lease payments	6,356	6,519
Investment in associates	75,131	57,450
	<u>235,204</u>	<u>226,658</u>
Current assets		
Inventories	178,826	177,533
Trade and other receivables	49,533	43,918
Prepayments	1,260	593
Current tax assets	82	2,582
Cash and cash equivalents	103,911	95,230
	<u>333,612</u>	<u>319,856</u>
TOTAL ASSETS	<u>568,816</u>	<u>546,514</u>
 EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(1,929)	(1,833)
Currency translation reserve	(4,550)	(7,721)
Retained profits	199,062	187,139
Equity attributable to owners of the Company	<u>320,013</u>	<u>305,015</u>
Non-controlling interests	<u>86,320</u>	<u>84,208</u>
Total equity	<u>406,333</u>	<u>389,223</u>
 Non-current liabilities		
Deferred tax liabilities	5,512	6,824
Loans and borrowings	12,791	15,958
	<u>18,303</u>	<u>22,782</u>
 Current Liabilities		
Loans and borrowings	118,247	104,823
Trade and other payables	24,372	28,932
Financial liabilities at fair value through profit or loss	542	104
Current tax liabilities	1,019	650
	<u>144,180</u>	<u>134,509</u>
TOTAL LIABILITIES	<u>162,483</u>	<u>157,291</u>
TOTAL EQUITY AND LIABILITIES	<u>568,816</u>	<u>546,514</u>
 Net assets per share attributable to owners of the	 <u>253</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 YEAR ENDED 31 DECEMBER 2013
(Financial Year Ended 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	3,171	16,982	20,153	7,012	27,165
Purchase of own shares	0	(96)	0	0	(96)	0	(96)
Dividends paid:-							
- Owners of the Company	0	0	0	(5,059)	(5,059)	0	(5,059)
- Non-controlling interests	0	0	0	0	0	(4,900)	(4,900)
At 31 December 2013	<u>127,430</u>	<u>(1,929)</u>	<u>(4,550)</u>	<u>199,062</u>	<u>320,013</u>	<u>86,320</u>	<u>406,333</u>
At 1 January 2012	127,430	(628)	(6,241)	200,382	320,943	79,393	400,336
Total comprehensive income	0	0	(1,480)	14,654	13,174	9,733	22,907
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>(7,721)</u>	<u>187,139</u>	<u>305,015</u>	<u>84,208</u>	<u>389,223</u>

* Retained profits as at 31 December 2013 amounting RM 1,929,103 (31 December 2012: RM1,832,508), 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
 (Company No.432139-W)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013
 (Financial Year Ended 31 December 2013)

	(Unaudited) Year Ended 31-Dec-13 RM'000	(Audited) Year Ended 31-Dec-12 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	30,109	29,257
Adjustments for:-		
Non-cash items	29,372	16,091
Non-operating items	(1,083)	(1,049)
	<u>58,398</u>	<u>44,299</u>
Changes in working capitals	(16,583)	46,927
	<u>41,815</u>	<u>91,226</u>
Cash generated from operations	41,815	91,226
Net income tax paid	(4,328)	(4,434)
	<u>37,487</u>	<u>86,792</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(7,875)	(42,740)
Proceeds from disposal of property, plant and equipments	66	0
Subscription of shares issued by an associate	(19,043)	0
Interest received	2,677	2,561
	<u>(24,175)</u>	<u>(40,179)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in bank borrowings, net	10,087	(21,346)
Term loans (repaid)/raised	(3,187)	18,623
Dividends paid to shareholders of the Company	(5,059)	(27,897)
Dividends paid to non-controlling interests	(4,900)	(33,569)
Issue of shares to non-controlling interests	0	28,651
Interest paid	(1,639)	(1,832)
Purchase of own shares	(96)	(1,205)
Increase of fixed deposits pledged	(51)	(575)
	<u>(4,845)</u>	<u>(39,150)</u>
Net cash used in financing activities	(4,845)	(39,150)
Net increase in cash and cash equivalents	8,467	7,463
Effect of exchange rate changes	163	(187)
Cash and cash equivalents at beginning of financial year	94,655	87,379
	<u>103,285</u>	<u>94,655</u>

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

	As at 31-Dec-13 RM'000	As at 31-Dec-12 RM'000
Cash and bank balances	103,911	95,230
Less: Fixed deposits pledged with bank	(626)	(575)
	<u>103,285</u>	<u>94,655</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 2012 and the accompanying explanatory notes attached to the interim financial statements.)