

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 June 2014
(Financial Year Ending 31 December 2014)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 30-Jun-14 RM'000	(Unaudited) Quarter Ended 30-Jun-13 RM'000	(Unaudited) Quarter Ended 30-Jun-14 RM'000	(Unaudited) Quarter Ended 30-Jun-13 RM'000
Revenue	132,332	125,167	265,901	257,113
Cost of Sales	<u>(111,902)</u>	<u>(109,861)</u>	<u>(226,162)</u>	<u>(226,371)</u>
Gross Profit	20,430	15,306	39,739	30,742
Other income	1,022	1,636	2,023	2,952
Distribution costs	(2,973)	(1,946)	(5,416)	(4,439)
Administrative and general expenses	(2,164)	(2,962)	(4,380)	(6,684)
Finance costs	(586)	(391)	(1,122)	(700)
Share of results of associates	550	(747)	165	(1,324)
Profit Before Tax	<u>16,279</u>	<u>10,896</u>	<u>31,009</u>	<u>20,547</u>
Tax expenses	(2,999)	(1,931)	(6,011)	(3,704)
Profit For The Period	<u>13,280</u>	<u>8,965</u>	<u>24,998</u>	<u>16,843</u>
Other comprehensive income				
Currency translation differences for foreign operations	(3,194)	(2,270)	(2,347)	3,556
Share of other comprehensive income of associates	(761)	(1,152)	(930)	(2,468)
	(3,955)	(3,422)	(3,277)	1,088
Total comprehensive income for the period	<u>9,325</u>	<u>5,543</u>	<u>21,721</u>	<u>17,931</u>
Profit for the period attributable to:				
Owners of the Company	9,676	5,975	18,089	11,226
Non-controlling interests	3,604	2,990	6,909	5,617
	<u>13,280</u>	<u>8,965</u>	<u>24,998</u>	<u>16,843</u>
Total comprehensive income attributable to:				
Owners of the Company	6,707	4,271	15,255	11,452
Non-controlling interests	2,618	1,272	6,466	6,479
	<u>9,325</u>	<u>5,543</u>	<u>21,721</u>	<u>17,931</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>7.65</u>	<u>4.72</u>	<u>14.31</u>	<u>8.88</u>
Diluted, for profit for the period (sen)	<u>7.65</u>	<u>4.72</u>	<u>14.31</u>	<u>8.88</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 2013 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 2014
(Financial Year Ending 31 December 2014)

	(Unaudited) 30 June 2014 RM'000	(Audited) 31 December 2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	147,329	153,717
Prepaid lease payments	6,275	6,356
Investment in associates	72,901	75,131
	<u>226,505</u>	<u>235,204</u>
Current assets		
Inventories	199,443	178,836
Trade and other receivables	63,422	49,533
Financial assets at fair value through profit or loss	232	0
Prepayments	910	1,260
Current tax assets	58	82
Cash and cash equivalents	114,584	103,911
	<u>378,649</u>	<u>333,622</u>
TOTAL ASSETS	<u>605,154</u>	<u>568,826</u>
 EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(1,946)	(1,929)
Currency translation reserve	(8,105)	(5,271)
Retained profits	211,444	199,676
Equity attributable to owners of the Company	<u>328,823</u>	<u>319,906</u>
Non-controlling interests	<u>90,228</u>	<u>86,212</u>
Total equity	<u>419,051</u>	<u>406,118</u>
 Non-current liabilities		
Deferred tax liabilities	5,565	5,512
Loans and borrowings	8,668	12,761
	<u>14,233</u>	<u>18,273</u>
 Current Liabilities		
Loans and borrowings	152,012	118,277
Trade and other payables	16,124	24,373
Financial liabilities at fair value through profit or loss	-	542
Current tax liabilities	3,734	1,243
	<u>171,870</u>	<u>144,435</u>
TOTAL LIABILITIES	<u>186,103</u>	<u>162,708</u>
TOTAL EQUITY AND LIABILITIES	<u>605,154</u>	<u>568,826</u>
 Net assets per share attributable to owners of the Company (sen)	 <u><u>260</u></u>	 <u><u>253</u></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 2013 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 2014
(Financial Year Ending 31 December 2014)

	Share Capital (RM'000)	Treasury Shares (RM'000)	Non-Distributable Currency Translation Reserves (RM'000)	Distributable* Retained profits (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total Equity (RM'000)
At 1 January 2014	127,430	(1,929)	(5,271)	199,676	319,906	86,212	406,118
Total comprehensive income	0	0	(2,834)	18,089	15,255	6,466	21,721
Purchase of own shares	0	(17)	0	0	(17)	0	(17)
Dividends paid:-							
- Owners of the Company	0	0	0	(6,321)	(6,321)	0	(6,321)
- Non-controlling interests	0	0	0	0	0	(2,450)	(2,450)
At 30 June 2014	<u>127,430</u>	<u>(1,946)</u>	<u>(8,105)</u>	<u>211,444</u>	<u>328,823</u>	<u>90,228</u>	<u>419,051</u>
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	6,479	17,932
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>90,687</u>	<u>402,002</u>

* Treasury shares as at 30 June 2014 amounting RM 1,945,829 (30 June 2013: RM1,927,371), 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 2013 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 JUNE 2014
 (Financial Year Ending 31 December 2014)

	(Unaudited) Quarter Ended 30-Jun-14 RM'000	(Unaudited) Quarter Ended 30-Jun-13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	31,009	20,547
Adjustments for:-		
Non-cash items	8,172	12,086
Non-operating items	648	(412)
	39,829	32,221
Changes in working capitals	(43,904)	(28,895)
	(4,075)	3,326
Cash (used in)/ generated from operations	(4,075)	3,326
Net income tax paid	(3,441)	(238)
	(7,516)	3,088
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(2,830)	(4,480)
Proceeds from disposal of property, plant and equipments	0	4
Interest received	1,103	1,151
Net cash used in investing activities	(1,727)	(3,325)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in bank borrowings, net	33,600	23,657
Term loans repaid	(3,396)	(1,014)
Dividends paid to shareholders of the Company	(6,321)	(5,059)
Dividends paid to non-controlling interests	(2,450)	0
Interest paid	(1,062)	(680)
Purchase of own shares	(17)	(94)
Decrease of fixed deposits pledged	626	0
Net cash from financing activities	20,980	16,810
Net increase in cash and cash equivalents	11,737	16,573
Effect of exchange rate changes	(438)	106
Cash and cash equivalents at beginning of financial period	103,285	94,655
Cash and cash equivalents at end of financial period	114,584	111,334

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

	As at 30-Jun-14 RM'000	As at 30-Jun-13 RM'000
Cash and bank balances	114,584	111,909
Less: Fixed deposits pledged with bank	0	(575)
	114,584	111,334

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)