

HUAT LAI RESOURCES BERHAD (323273 - T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2015

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR 30/06/15 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/14 RM'000	CURRENT YEAR TO DATE 30/06/15 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/14 RM'000
CONTINUING OPERATIONS :				
Revenue	351,421	325,775	720,524	587,469
Operating expenses	(321,120)	(309,583)	(656,059)	(549,736)
Other operating income	1,914	623	3,271	2,287
Profit from operations	32,215	16,815	67,736	40,020
Finance costs	(7,942)	(7,907)	(16,419)	(15,501)
Share of results in jointly controlled entity	27	(5)	34	21
Profit before taxation	24,300	8,903	51,351	24,540
Income tax expense	-	-	(639)	-
Profit after taxation	24,300	8,903	50,712	24,540
Other comprehensive (expenses) / income	(220)	376	(676)	(69)
Total comprehensive income for the period	24,080	9,279	50,036	24,471
Profit after taxation attributable to :				
Equityholders of the Company	25,420	8,233	48,987	22,229
Non-controlling interests	(1,120)	670	1,725	2,311
	<u>24,300</u>	<u>8,903</u>	<u>50,712</u>	<u>24,540</u>
Total comprehensive income attributable to :				
Equityholders of the Company	25,200	8,609	48,311	22,160
Non-controlling interests	(1,120)	670	1,725	2,311
	<u>24,080</u>	<u>9,279</u>	<u>50,036</u>	<u>24,471</u>
Earning per share				
- basic (sen)	32.62	10.58	62.87	28.58
- diluted (sen)	32.62	10.58	62.03	28.58

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014

HUAT LAI RESOURCES BERHAD (323273 - T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2015

The figures have not been audited.

	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interest RM'000	Total RM'000
At 1 January 2015	86,531	(7,734)	77,998	336	3,156	277	48,002	208,566	18,995	227,561
Profit after taxation	-	-	-	-	-	-	48,987	48,987	1,725	50,712
Other comprehensive expenses for the period										
-Translation Reserve	-	-	-	-	-	(676)	-	(676)	-	(676)
Total comprehensive income for the period	-	-	-	-	-	(676)	48,987	48,311	1,725	50,036
Issuance of new shares- ESOS	15	-	-	-	2	-	-	17	-	17
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-
At 30 June 2015	86,546	(7,734)	77,998	336	3,158	(399)	96,989	256,894	20,720	277,614

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THE SECOND QUARTER ENDED 30 JUNE 2014**

	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interest RM'000	Total RM'000
At 1 January 2014	86,416	(7,734)	77,998	336	3,149	-	24,142	184,307	11,432	195,739
Profit after taxation	-	-	-	-	-	-	22,229	22,229	2,311	24,540
Other comprehensive expenses for the period										
-Translation Reserve	-	-	-	-	-	(69)	-	(69)	-	(69)
Total comprehensive income for the period	-	-	-	-	-	(69)	22,229	22,160	2,311	24,471
Issuance of new shares-ESOS	19	-	-	-	3	-	-	22	-	22
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	82	82
At 30 JUNE 2014	86,435	(7,734)	77,998	336	3,152	(69)	46,371	206,489	13,825	220,314

HUAT LAI RESOURCES BERHAD (323273 - T)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

The figures have not been audited.

	UNAUDITED AS AT 30/06/15 RM'000	AUDITED AS AT 31/12/14 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	701,957	700,340
Investment properties	330	334
Intangible assets	11,456	11,506
Investment in jointly controlled entity	5,331	5,196
	<u>719,074</u>	<u>717,376</u>
Current Assets		
Inventories	44,466	45,570
Biological assets	118,558	107,837
Receivables	175,879	104,339
Tax recoverable	319	225
Fixed deposits	27,889	27,492
Cash and bank balances	18,545	9,538
	<u>385,656</u>	<u>295,001</u>
Total Assets	<u><u>1,104,730</u></u>	<u><u>1,012,377</u></u>
EQUITY AND LIABILITIES		
Share capital	86,546	86,531
Share premium	3,158	3,156
Treasury shares	(7,734)	(7,734)
Revaluation reserve	77,998	77,998
Share option reserve	336	336
Translation reserve	(399)	277
Retained earnings	96,989	48,002
Shareholders' Equity	<u>256,894</u>	<u>208,566</u>
Non-controlling Interests	20,720	18,995
	<u>277,614</u>	<u>227,561</u>
Non-Current Liabilities		
Long term borrowings	219,549	228,414
Deferred tax liabilities	37,735	37,696
	<u>257,284</u>	<u>266,110</u>
Current Liabilities		
Payables	273,579	199,833
Short term borrowings	282,421	299,870
Bank overdraft	8,050	13,703
Taxation	5,782	5,300
	<u>569,832</u>	<u>518,706</u>
TOTAL LIABILITIES	<u><u>827,116</u></u>	<u><u>784,816</u></u>
	-	-
TOTAL EQUITY AND LIABILITIES	<u><u>1,104,730</u></u>	<u><u>1,012,377</u></u>
NET ASSETS PER SHARE (RM)	<u><u>2.97</u></u>	<u><u>2.41</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014

HUAT LAI RESOURCES BERHAD (323273 - T)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

The figures have not been audited.

	Period Ended 30/06/15 RM'000	Period Ended 30/06/14 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	50,712	24,540
Adjustments for :		
Amortisation for intangible assets	50	50
Depreciation of investment properties	330	-
Depreciation of property, plant and equipment	30,227	28,166
Impairment loss on trade receivable	1,432	-
Interest expense	16,419	15,501
Interest income	(606)	(366)
Loss / (Gain) on disposal of property, plant and equipment	129	(58)
Property, plant and equipment written off	132	25
Share of results in jointly controlled entity	(34)	(21)
Tax charge	639	-
Unrealised exchange gain	(1,120)	(77)
Operating profit before working capital changes	<u>98,310</u>	<u>67,760</u>
Decrease in inventories	1,103	18,600
Increase in Biological assets	(10,721)	(3,260)
Increase in receivables	(71,852)	(21,230)
Increase / (Decrease) in payables	<u>70,758</u>	<u>(8,665)</u>
Cash from operations	87,598	53,205
Tax refunded	2	
Tax paid	(207)	(5)
Net cash from operating activities	<u>87,393</u>	<u>53,200</u>
CASH FLOW FOR INVESTING ACTIVITIES		
Interest received	606	366
Advance to joint venture	(100)	-
Purchase of property, plant and equipment	(19,734)	(36,955)
Net cash outflow from acquisition of subsidiary	-	(97)
Net cash for investing activities	<u>(19,228)</u>	<u>(36,686)</u>
CASH FLOW FOR FINANCING ACTIVITIES		
Interest paid	(16,419)	(15,501)
Issuing of shares	16	22
Short term borrowings repaid	(15,192)	(1,812)
Drawdown of term loans	6,415	22,522
Repayment of term loans	(14,225)	(15,975)
Repayment of hire purchase liabilities	(12,435)	(10,884)
Net cash for financing activities	<u>(51,840)</u>	<u>(21,628)</u>
Net increase / (decrease) in cash and cash equivalents	16,325	(5,114)
Effect of translation difference	(1,268)	-
Cash and cash equivalents at beginning of the financial period	(4,138)	12,706
Cash and cash equivalents at end of the period	<u>10,919</u>	<u>7,592</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014