

TH HEAVY ENGINEERING BERHAD (634775-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Dec-14 Unaudited RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-13 Unaudited RM'000	CURRENT YEAR TO DATE 31-Dec-14 Unaudited RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-13 Audited RM'000
Revenue	58,322	61,016	344,124	259,932
Cost of sales	(109,802)	(67,815)	(374,470)	(215,541)
Gross (loss)/profit	(51,480)	(6,799)	(30,346)	44,391
Other income	2,984	6,118	4,285	9,387
Administration expenses	(33,572)	(19,783)	(89,529)	(52,291)
Other expenses	(11)	(911)	(90)	(808)
Operating (loss) / profit	(82,079)	(21,375)	(115,680)	679
Finance cost	2,112	(3,886)	(5,243)	(6,653)
Share of profit of equity-accounted associate, net of tax	7,338	5,000	15,755	5,000
Share of loss of equity-accounted joint ventures, net of tax	(417)	-	(1,135)	-
Loss before taxation	(73,046)	(20,261)	(106,303)	(974)
Taxation	(9,225)	2,699	(7,608)	2,529
(Loss)/Profit after taxation	(82,271)	(17,562)	(113,911)	1,555
Other comprehensive income for the year, net of tax	4,579	(87)	4,579	(87)
Total comprehensive (loss)/income for the period	(77,692)	(17,649)	(109,332)	1,468
(Loss)/Profit attributable to:				
Owners of the Company	(56,901)	(10,929)	(76,450)	8,188
Non-controlling interests	(25,370)	(6,633)	(37,461)	(6,633)
	(82,271)	(17,562)	(113,911)	1,555
Total comprehensive (loss)/income attributable to:-				
Owners of the Company	(53,081)	(11,016)	(72,630)	8,101
Non-controlling interests	(24,611)	(6,633)	(36,702)	(6,633)
	(77,692)	(17,649)	(109,332)	1,468
(Loss)/Profit attributable to shareholders of the Company				
	sen	sen	sen	sen
i) Basic (loss)/earnings per share	(5.17)	(1.18)	(7.60)	0.83
ii) Fully diluted (loss)/earnings per share	(5.17)	(0.89)	(7.60)	0.67
Gross interest income	249	297	816	1,204
Gross interest expense	(2,112)	3,886	5,243	6,653

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

TH HEAVY ENGINEERING BERHAD (634775-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2014**

	As at 31-Dec-14 Unaudited RM'000	As at 31-Dec-13 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	542,433	492,589
Intangible assets	507	55
Investment in associate	103,174	82,839
Investment in joint ventures	715	-
Deferred tax assets	-	9,011
	646,829	584,494
Current Assets		
Inventories	6,321	5,717
Trade and other receivables	349,396	211,420
Prepayments	1,632	2,171
Cash and cash equivalents	109,412	86,837
	466,761	306,145
	466,761	306,145
TOTAL ASSETS	1,113,590	890,639
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	277,769	255,200
Share premium	94,511	57,256
Revaluation reserves	28,317	28,317
Other reserves	4,492	(87)
(Accumulated loss)/Retained profits	(16,918)	40,351
	388,171	381,037
Non-controlling interests	15,571	51,147
Total Equity	403,742	432,184
Non Current Liabilities		
Deferred tax liabilities	214	108
Borrowings	271,059	272,884
	271,273	272,992
Current Liabilities		
Trade and other payables	364,560	154,892
Current tax liability	-	2,000
Borrowings	74,015	28,571
	438,575	185,463
Total Liabilities	709,848	458,455
TOTAL EQUITY AND LIABILITIES	1,113,590	890,639
Net assets per share (sen)	34.9	37.3

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

TH HEAVY ENGINEERING BERHAD (634775-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share Capital (RM'000)	Share Premium (RM'000)	Revaluation Reserves (RM'000)	Other Reserves (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non-controlling Interest (RM'000)	Total (RM'000)
Balance at 1 January 2014	255,200	57,256	28,317	(87)	40,351	381,037	51,147	432,184
Total other comprehensive income for the year	-	-	-	4,579	-	4,579	-	4,579
Loss for the period	-	-	-	-	(76,450)	(76,450)	(37,461)	(113,911)
Total comprehensive income for the period	255,200	57,256	28,317	4,492	(36,099)	309,166	13,686	322,852
Issuance of shares	13,199	27,510	-	-	-	40,709	-	40,709
Conversion of warrants	9,370	9,745	-	-	-	19,115	-	19,115
Changes in ownership interests in a subsidiary	-	-	-	-	19,181	19,181	1,885	21,066
Total transaction with owners of the Company	22,569	37,255	-	-	19,181	79,005	1,885	80,890
Balance at 31 December 2014	277,769	94,511	28,317	4,492	(16,918)	388,171	15,571	403,742

	Share Capital (RM'000)	Share Premium (RM'000)	Revaluation Reserves (RM'000)	Other Reserves (RM'000)	Retained Profits (RM'000)	Total (RM'000)	Non-controlling Interest (RM'000)	Total (RM'000)
Balance at 1 January 2013	231,994	38,690	28,317	-	12,016	311,017	-	311,017
Total other comprehensive income for the year	-	-	-	(87)	-	(87)	-	(87)
Loss for the period	-	-	-	-	8,188	8,188	(6,633)	1,555
Total comprehensive income for the period	231,994	38,690	28,317	(87)	20,204	319,118	(6,633)	312,485
<i>Contributions by owners of the Company</i>								
Conversion of warrants *	7	7	-	-	-	14	-	14
Issuance of shares	23,199	18,559	-	-	-	41,758	-	41,758
Changes in ownership interests in a subsidiary	-	-	-	-	20,147	20,147	57,780	77,927
Total transaction with owners of the Company	23,206	18,566	-	-	20,147	61,919	57,780	119,699
Balance at 31 December 2013	255,200	57,256	28,317	(87)	40,351	381,037	51,147	432,184

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

TH HEAVY ENGINEERING BERHAD (634775-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	CURRENT FINANCIAL YEAR 31-Dec-14 (RM'000)	CUMMULATIVE CORRESPONDING PRECEEDING YEAR 31-Dec-13 (RM'000)
Loss before tax	(106,303)	(974)
Adjustments for:		
Amortisation of intangible assets	28	28
Bad debts recovered	-	(246)
Depreciation of property, plant and equipment	12,821	8,867
Discounts received from third parties	(803)	(4,246)
Gain on disposal of property, plant and equipment	(28)	-
Impairment loss on receivables	12,250	-
Finance costs	5,243	6,653
Finance income	(816)	(1,205)
Inventories written off	9	291
Inventories written back	(464)	-
Reversal of impairment loss on:		
- Inventories	-	(24)
- Trade receivables	-	(207)
- Other receivables	-	(96)
Share of profit of associate	(15,755)	(5,000)
Share of loss of JV	1,135	-
Operating (loss)/ profit before changes in working capital	(92,683)	3,841
Changes in working capital:		
Inventories	(149)	(5,153)
Trade and other, receivables and prepayments	(148,885)	(88,046)
Trade and other payables	209,668	57,319
Net cash generated (used in)/from operations	(32,049)	(32,039)
Interests received	816	1,205
Interests paid	(5,243)	(6,653)
Tax paid	(491)	(324)
Net cash used in operating activities	(36,967)	(37,811)
Cash flows from investing activities		
Acquisition of intangible assets	(452)	(12)
Acquisition of property, plant and equipment	(62,693)	(64,836)
Acquisition of investment in Associate	-	(77,926)
Acquisition of investment in Joint Ventures	(1,850)	-
(Increase)/Decrease in pledged deposits placed with licensed banks, net	(21,530)	25,166
Proceeds from disposal of property, plant and equipment	28	-
Proceeds from disposal of subsidiary	21,066	77,926
Net cash used in from investing activities	(65,431)	(39,682)
Cash flows from financing activities		
Proceeds from issuance of shares	59,824	41,772
Proceeds from loans and borrowings, net	43,619	100,713
Net cash generated from financing activities	103,443	142,485
Net change in cash and cash equivalents	1,045	64,992
Cash and cash equivalents at beginning of period/year	81,609	16,617
Cash and cash equivalents at end of financial period/year	82,654	81,609
Cash and cash equivalent at end of the financial period comprise the followings:-		
Cash and bank balances	82,655	63,937
Deposits placed with licensed banks	26,757	22,900
	109,412	86,837
less: Deposits pledged	(26,758)	(5,228)
	82,654	81,609

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)