

**TSH RESOURCES BERHAD (49548-D)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEETS**

As at 30th June 2006

	<b>As at 30.06.2006 RM</b>	<b>As at 31.12.2005 RM (restated)</b>
<b>Non-Current Assets</b>		
Property, Plant & Equipment	490,066,566	430,404,083
Investment in associate	48,779	48,779
Investments in jointly controlled associates	12,369,351	-
Other investments	150,000	150,000
Intangible Assets	216,034	420,315
Goodwill on consolidation	12,294,916	12,294,916
Deferred tax assets	82,370	59,498
<b>Current Assets</b>		
Inventories	139,090,128	147,931,572
Trade receivables	63,287,513	53,856,806
Other receivables	61,608,104	54,001,946
Tax recoverable	11,083,880	8,465,822
Marketable securities	160,000	160,000
Cash and bank balances	16,936,648	18,885,791
	<u>292,166,274</u>	<u>283,301,937</u>
<b>Current Liabilities</b>		
Borrowings	123,295,586	62,568,265
Trade payables	17,088,004	18,498,067
Other payables	32,041,714	36,755,580
Tax Payable	6,440,433	2,943,687
Dividend Payable	1,470,000	-
	<u>180,335,737</u>	<u>120,765,599</u>
<b>Net Current Assets</b>	111,830,537	162,536,338
	<u>627,058,552</u>	<u>605,913,929</u>
<b>Financed By :</b>		
Share capital	184,065,132	182,445,632
Reserves	215,549,612	212,197,433
<b>Shareholders' equity</b>	<u>399,614,744</u>	<u>394,643,065</u>
Minority Interests	65,746,103	63,785,639
<b>Non-Current Liabilities</b>		
Borrowings	64,369,522	48,899,993
Deferred income	50,045,626	50,045,626
Deferred tax liabilities	47,282,557	48,539,606
	<u>627,058,552</u>	<u>605,913,929</u>

**The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Audited Financial Report for the year ended 31st December 2005**

**TSH RESOURCES BERHAD (49548-D)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

For the period ended 30th June 2006

	<b>Current quarter ended 30.6.2006 RM'000</b>	<b>Comparative quarter ended 30.6.2005 RM'000 (restated)</b>	<b>6 months Cumulative to date 30.6.2006 RM'000</b>	<b>6 months Cumulative to date 30.6.2005 RM'000 (restated)</b>
Revenue	158,839	144,471	307,681	277,878
Cost of Sales	<u>(125,151)</u>	<u>(118,230)</u>	<u>(247,046)</u>	<u>(223,356)</u>
Gross Profit	33,688	26,241	60,635	54,522
Other Operating Income	136	766	966	1,846
Operating Expenses	<u>(15,453)</u>	<u>(13,478)</u>	<u>(30,687)</u>	<u>(27,839)</u>
Profit from Operations	18,371	13,529	30,914	28,529
Finance Costs	(1,140)	(1,253)	(2,421)	(2,687)
Interest income	79	248	90	1,223
Share of profit/(loss) of jointly controlled associates	<u>(37)</u>	<u>-</u>	<u>(39)</u>	<u>-</u>
Profit before taxation	17,273	12,524	28,544	27,065
Taxation	<u>(1,836)</u>	<u>(1,686)</u>	<u>(4,563)</u>	<u>(3,822)</u>
Profit after taxation	<u>15,437</u>	<u>10,838</u>	<u>23,980</u>	<u>23,243</u>
Attributable to :				
Equity holders of the parent	13,554	9,120	20,574	19,256
Minority Interest	<u>1,882</u>	<u>1,718</u>	<u>3,406</u>	<u>3,986</u>
	<u>15,437</u>	<u>10,838</u>	<u>23,980</u>	<u>23,242</u>
Earnings per share - basic (sen)	3.58	3.00	5.43	6.34
Earnings per share - diluted (sen)	3.54	2.60	5.37	5.48

**The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Report for the year ended 31st December 2005**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

For the period ended 30th June 2006

	Current quarter ended 30.6.2006 RM	Comparative quarter ended 30.6.2005 RM	6 months Cumulative to date 30.6.2006 RM	6 months Cumulative to date 30.6.2005 RM
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	17,272,852	12,524,336	28,543,725	27,062,027
Adjustment for non-cash flow:-				
Depreciation of property, plant & equipment	5,146,681	4,168,555	10,077,638	8,159,779
Property, plant & equipment written off	110,171	-	110,171	-
Government Grant Receivable	171,988	-	171,988	-
(Gain) on disposal of marketable securities	-	-	-	-
Gain on disposal of investment	-	-	-	-
Amortisation of plantation	588,794	567,630	1,157,168	1,135,260
(Gain)/loss on disposal of property, plant & equipment	(108,774)	(14,939)	109,243	(14,961)
Amortisation of intangible assets	21,604	24,669	62,621	49,338
Bad debts written off	978	213,176	978	6,649
Written back for provision for doubtful debts	-	-	-	-
Provision for doubtful debts	(4,094)	(254,454)	(4,094)	(254,454)
Net unrealised gain exchange gains	(74,501)	101,439	(32,752)	224,482
Share of (profit) / loss of jointly controlled associates	36,559	-	39,353	-
Share based payment under ESOS	77,443	28,000	129,828	40,000
Interest expense	1,140,359	1,637,661	2,420,766	2,686,696
Interest income	(80,036)	(263,399)	(91,165)	(1,238,251)
Gross Dividend	-	-	-	-
Share of results of an associate	-	-	-	-
	<u>24,300,024</u>	<u>18,732,674</u>	<u>42,695,468</u>	<u>37,856,565</u>
Operating cash flows before working capital changes				
(Increase)/decrease in inventories	5,966,623	2,055,872	9,298,476	18,839
(Increase)/decrease in receivables	14,596,856	38,721	(23,006,799)	(14,737,002)
Increase/(decrease) in payables	(11,205,601)	(3,460,583)	(2,995,459)	(1,266,219)
	<u>33,657,902</u>	<u>17,366,684</u>	<u>25,991,686</u>	<u>21,872,183</u>
Cash generated from/(absorbed by) operations				
Interest paid	(1,140,359)	(1,637,661)	(2,420,766)	(2,686,696)
Taxation paid	(2,405,363)	(1,339,305)	(4,965,639)	(4,376,053)
	<u>30,112,180</u>	<u>14,389,718</u>	<u>18,605,281</u>	<u>14,809,434</u>
Net cash generated from/(used in) operating activities				
<b>Cash Flows from Investing Activities</b>				
Net cash inflow/(outflow) arising on acquisition of subsidiaries	(41,821,344)	-	(41,821,344)	-
Purchase of additional shares in subsidiaries	-	-	-	-
Purchase of shares in an associate	-	-	-	-
Purchase of marketable securities	-	-	-	-
Purchase of property, plant & equipment	(22,691,149)	(25,396,425)	(30,978,141)	(37,630,899)
Plantation development expenditure	(6,286)	-	(13,650)	(20,937)
Payment of forest plantation development expenditure	(5,493,801)	(2,490,968)	(8,321,327)	(3,844,530)
Payment of listing expenses in a subsidiary	-	-	-	-
Proceeds from disposal of investment	-	-	-	-
Proceeds from disposal of marketable securities	-	-	-	-
Proceeds from disposal of property, plant & equipment	125,115	28,704	823,356	29,599
Interest received	80,036	263,399	91,165	1,238,251
Net dividends received	-	-	-	-
	<u>(69,807,429)</u>	<u>(27,595,290)</u>	<u>(80,219,941)</u>	<u>(40,228,516)</u>
Net cash used in investing activities				
<b>Cash Flows from Financing Activities</b>				
Proceeds from issuance of ordinary shares	(805,450)	3,579,599	1,724,610	4,457,729
Payment of private debt securities	-	-	-	-
Drawdown of short term revolving credits	-	-	-	-
Proceeds from term loans	61,210,661	16,268,645	74,453,816	28,366,387
Repayment of term loans	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
Withdrawal / (Placement) of fixed deposit with financial institution	-	(981,402)	-	(981,402)
Net movement in short term borrowings	5,700,000	(1,040,000)	21,100,000	5,437,000
Dividend paid	(18,400,143)	-	(18,400,143)	-
	<u>32,705,068</u>	<u>2,826,842</u>	<u>63,878,283</u>	<u>22,279,714</u>
Net cash generated from financing activities				
Net increase in cash and cash equivalents	(6,990,181)	(10,378,730)	2,263,623	(3,139,368)
Cash and cash equivalents at beginning of period	20,966,883	19,128,782	10,993,474	11,507,612
Effect of exchange rate differences	(935,992)	3,976,535	(216,387)	4,358,343
	<u>13,040,710</u>	<u>12,726,587</u>	<u>13,040,710</u>	<u>12,726,587</u>
Cash and cash equivalents at end of period				

**TSH RESOURCES BERHAD (49548-D)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the year ended 30th June 2006

	← Attributable to equity holders of the parent →							Minority interest	Total equity	
	← Non-distributable →			Distributable						
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Asset revaluation reserve RM'000	Capital reserve RM'000	Exchange reserve RM'000	Retained profits RM'000			Total RM'000
At 1 January 2005	100,022	51,322		1,469	6,100	(867)	181,581	339,627	58,397	398,024
Issue of shares										
ESOS	55	20						75		75
Warrant	2,634	1,016						3,650		3,650
Bonus Issue	50,022	(50,022)						-		-
Foreign exchange difference						1,003		1,003		1,003
Net profit for the period							19,254	19,254	3,986	23,240
Share based payment under ESOS					41			41		41
Acquisition of Subsidiaries									747	747
Dividend paid							(15,273)	(15,273)	(1,470)	(16,743)
At 30 June 2005	<u>152,733</u>	<u>2,336</u>	<u>-</u>	<u>1,469</u>	<u>6,141</u>	<u>136</u>	<u>185,562</u>	<u>348,377</u>	<u>61,660</u>	<u>410,037</u>
At 1 January 2006										
As previously stated	182,446	13,119	(166)	1,469	6,100	(1,013)	192,670	394,625	63,803	458,428
Prior year adjustment-effect of adopting FRS 2					156		(139)	17	(17)	0
At 1 January 2006 (restated)	<u>182,446</u>	<u>13,119</u>	<u>(166)</u>	<u>1,469</u>	<u>6,256</u>	<u>(1,013)</u>	<u>192,531</u>	<u>394,642</u>	<u>63,786</u>	<u>458,428</u>
Issue of shares										
ESOS	1,619	105						1,724		1,724
Warrant								-		-
Bonus Issue								-		-
Foreign exchange difference						943		943	24	967
Share based payment under ESOS					117		14	131	(0)	131
Gain realised on sale of shares								-		-
Net profit for the period							20,574	20,574	3,406	23,980
Dividend paid for financial year ended							(18,400)	(18,400)		(18,400)
Dividend Payable								-	(1,470)	(1,470)
At 30 June 2006	<u>184,065</u>	<u>13,224</u>	<u>(166)</u>	<u>1,469</u>	<u>6,373</u>	<u>(70)</u>	<u>194,719</u>	<u>399,614</u>	<u>65,746</u>	<u>465,360</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Report for the year ended 31 December 2005