

**TSH Resources Berhad (49548-D)**  
(Incorporated in Malaysia)

**Condensed Consolidated Balance Sheets**

As at 30th Sept 2006

	<b>As at 30.09.2006 RM</b>	<b>As at 31.12.2005 RM (restated)</b>
<b>Non-Current Assets</b>		
Property, plant & equipment	505,920,387	430,404,083
Investment in associate	48,779	48,779
Investments in jointly controlled entities	19,835,555	-
Other investments	150,000	150,000
Intangible assets	194,430	420,315
Goodwill on consolidation	12,494,916	12,294,916
Deferred tax assets	205,010	59,498
<b>Current Assets</b>		
Inventories	136,305,316	147,931,572
Trade receivables	60,643,705	53,856,806
Other receivables	54,354,455	54,001,946
Tax recoverable	12,040,992	8,465,822
Marketable securities	160,000	160,000
Cash and bank balances	21,023,288	18,885,791
	<u>284,527,757</u>	<u>283,301,937</u>
<b>Current Liabilities</b>		
Borrowings	108,955,095	62,568,265
Trade payables	35,364,449	18,498,067
Other payables	34,049,637	36,755,580
Tax payable	6,216,890	2,943,687
	<u>184,586,070</u>	<u>120,765,599</u>
<b>Net Current Assets</b>	99,941,687	162,536,338
	<u>638,790,764</u>	<u>605,913,929</u>
<b>Financed By :</b>		
Share capital	184,325,132	182,445,632
Reserves	227,957,078	212,197,433
<b>Shareholders' equity</b>	<u>412,282,210</u>	<u>394,643,065</u>
Minority interests	67,053,749	63,785,639
<b>Non-Current Liabilities</b>		
Borrowings	60,826,378	48,899,993
Deferred income	50,045,626	50,045,626
Deferred tax liabilities	48,582,801	48,539,606
	<u>638,790,764</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 30 Sept 2006

	<b>Current quarter ended 30.9.2006 RM'000</b>	<b>Comparative quarter ended 30.9.2005 RM'000 (restated)</b>	<b>9 months cumulative to date 30.9.2006 RM'000</b>	<b>9 months cumulative to date 30.9.2005 RM'000 (restated)</b>
Revenue	152,013	138,711	459,694	416,589
Cost of sales	<u>(122,185)</u>	<u>(111,212)</u>	<u>(369,231)</u>	<u>(334,568)</u>
Gross profit	29,828	27,499	90,463	82,021
Other operating income	699	717	1,665	2,563
Operating expenses	<u>(13,356)</u>	<u>(12,807)</u>	<u>(44,043)</u>	<u>(40,646)</u>
Profit from operations	17,171	15,409	48,085	43,938
Finance costs	(1,194)	(1,150)	(3,615)	(3,837)
Interest income	148	12	237	1,235
Share of profit/(loss) of jointly controlled entities	<u>(34)</u>	<u>-</u>	<u>(73)</u>	<u>-</u>
Profit before taxation	16,091	14,271	44,634	41,336
Taxation	<u>(1,646)</u>	<u>(3,965)</u>	<u>(6,209)</u>	<u>(7,787)</u>
Profit after taxation	<u>14,444</u>	<u>10,306</u>	<u>38,425</u>	<u>33,549</u>
Attributable to :				
Equity holders of the parent	12,226	8,911	32,801	28,168
Minority interest	<u>2,218</u>	<u>1,395</u>	<u>5,624</u>	<u>5,381</u>
	<u>14,444</u>	<u>10,306</u>	<u>38,425</u>	<u>33,549</u>
Earnings per share - basic (sen)	3.34	2.70	8.95	8.55
Earnings per share - diluted (sen)	3.30	2.64	8.85	8.33

**The Condensed Consolidated Income Statements 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 Cash Flow Statements**

For the period ended 30 Sept 2006

	<b>Current quarter ended 30.9.2006 RM</b>	<b>Comparative quarter ended 30.9.2005 RM</b>	<b>9 months cumulative to date 30.9.2006 RM</b>	<b>9 months cumulative to date 30.9.2005 RM</b>
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	16,090,607	14,270,232	44,634,331	41,336,259
Adjustment for non-cash flow:-				
Depreciation of property, plant & equipment	4,670,585	4,830,416	14,748,224	12,990,195
Property, plant & equipment written off	34,461	-	144,632	-
Government grant receivable	(171,988)	-	-	-
Amortisation of plantation	1,484,877	567,630	2,642,045	1,702,890
(Gain)/loss on disposal of property, plant & equipment	(62,439)	(6,193)	46,804	(21,154)
Amortisation of intangible assets	21,603	24,668	84,224	74,006
Bad debts written off	7	(9)	985	6,640
Provision for doubtful debts	-	-	(4,094)	(254,454)
Net unrealised gain exchange gains	43,234	(259,122)	10,482	(34,640)
Share of (profit) / loss of jointly controlled entities	33,795	-	73,148	-
Share based payment under ESOS	(197)	60,000	129,631	96,000
Interest expense	1,194,087	1,150,377	3,614,853	3,837,073
Interest income	(148,677)	(23,131)	(239,842)	(1,261,382)
	<u>23,189,955</u>	<u>20,614,868</u>	<u>65,885,424</u>	<u>58,471,433</u>
Operating cash flows before working capital changes				
(Increase)/decrease in inventories	2,832,032	790,450	12,130,508	809,289
(Increase)/decrease in receivables	8,943,237	3,677,680	(6,563,563)	(11,059,322)
Increase/(decrease) in payables	20,887,952	16,812,027	17,892,493	15,545,808
	<u>55,853,176</u>	<u>41,895,025</u>	<u>89,344,862</u>	<u>63,767,208</u>
Cash generated from/(absorbed by) operations				
Interest paid	(1,194,087)	(1,150,377)	(3,614,853)	(3,837,073)
Taxation paid	(1,648,891)	(3,901,394)	(6,614,530)	(8,277,447)
	<u>53,010,197</u>	<u>36,843,254</u>	<u>79,115,479</u>	<u>51,652,688</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	(1,488,243)	-	(43,309,587)	-
Additional investment in jointly controlled entities	(7,500,000)	-	(15,000,000)	-
Purchase of property, plant & equipment	(17,938,023)	(18,328,735)	(48,916,164)	(55,959,634)
Plantation development expenditure	(13,784)	-	(27,434)	(20,937)
Payment of forest plantation development expenditure	(2,427,001)	(1,075,758)	(10,748,328)	(4,920,288)
Proceeds from disposal of property, plant & equipment	391,546	6,605	1,214,902	36,204
Interest received	148,677	23,131	239,842	1,261,382
	<u>(28,826,827)</u>	<u>(19,374,757)</u>	<u>(116,546,768)</u>	<u>(59,603,273)</u>
Net cash used in investing activities				
<b>Cash Flows from Financing Activities</b>				
Proceeds from issuance of ordinary shares	324,020	40,440,607	2,048,630	44,898,336
Proceeds from term loans	4,941,222	705,580	79,395,038	29,071,967
Repayment of term loans	(6,492,533)	(10,000,000)	(21,492,533)	(25,000,000)
Withdrawal / (Placement) of fixed deposit with financial institution	136,982	1,059,012	136,982	77,610
Net movement in short term borrowings	(15,435,900)	(13,536,712)	5,664,100	(8,099,712)
Dividend paid	(2,403,302)	(19,826,084)	(20,803,445)	(19,826,084)
	<u>(18,929,511)</u>	<u>(1,157,597)</u>	<u>44,948,772</u>	<u>21,122,117</u>
Net cash generated from financing activities				
Net increase in cash and cash equivalents	5,253,859	16,310,900	7,517,482	13,171,532
Cash and cash equivalents at beginning of period	13,040,710	12,726,587	10,993,474	11,507,612
Effect of exchange rate differences	(140,532)	(2,219,035)	(356,919)	2,139,308
	<u>18,154,037</u>	<u>26,818,452</u>	<u>18,154,037</u>	<u>26,818,452</u>
Cash and cash equivalents at end of period				

**The Condensed Consolidated Cash Flow Statements 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 Statements Of Changes In Equity**

For the period ended 30 Sept 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	1,896	214						2,110		2,110
Warrant	30,464	11,592						42,056		42,056
Bonus issue	50,022	(50,022)						-		-
Foreign exchange difference						(1,592)		(1,592)		(1,592)
Net profit for the period							28,168	28,168	5,381	33,549
Share based payment under ESOS					96			96		96
Acquisition of subsidiaries									747	747
Dividend paid							(18,240)	(18,240)	(1,586)	(19,826)
At 30 Sept 2005	<u>182,404</u>	<u>13,106</u>	<u>-</u>	<u>1,469</u>	<u>6,196</u>	<u>(2,459)</u>	<u>191,509</u>	<u>392,225</u>	<u>62,939</u>	<u>455,164</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	1,879	169						2,048		2,048
Foreign exchange difference						1,074		1,074	47	1,121
Share based payment under ESOS					117			117		117
Net profit for the period							32,801	32,801	5,624	38,425
Dividend paid							(18,400)	(18,400)	(2,403)	(20,803)
At 30 Sept 2006	<u>184,325</u>	<u>13,288</u>	<u>(166)</u>	<u>1,469</u>	<u>6,373</u>	<u>61</u>	<u>206,932</u>	<u>412,281</u>	<u>67,054</u>	<u>479,335</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