

TSH Resources Berhad (49548-D)

(Incorporated in Malaysia)

Condensed Consolidated Income Statements

For the year ended 31 Dec 2006

	Current quarter ended 31.12.2006 RM'000	Comparative quarter ended 31.12.2005 RM'000	12 months cumulative to date 31.12.2006 RM'000	12 months cumulative to date 31.12.2005 RM'000
Revenue	181,918	124,818	641,612	541,407
Cost of sales	<u>(134,551)</u>	<u>(86,510)</u>	<u>(503,782)</u>	<u>(421,078)</u>
Gross profit	47,367	38,308	137,830	120,329
Other operating income	1,960	799	3,625	3,362
Other operating expenses	<u>(25,940)</u>	<u>(30,097)</u>	<u>(69,982)</u>	<u>(70,743)</u>
Operating profit	23,387	9,010	71,472	52,948
Finance costs	(4,548)	(1,118)	(8,163)	(4,955)
Interest income	1,051	134	1,288	1,369
Share of loss of an associate	-	(1)	-	(1)
Share of profit/(loss) of jointly controlled entities	<u>585</u>	<u>-</u>	<u>512</u>	<u>-</u>
Profit before taxation	20,475	8,025	65,110	49,361
Taxation	<u>956</u>	<u>(6,676)</u>	<u>(5,253)</u>	<u>(14,463)</u>
Profit for the year	<u>21,431</u>	<u>1,349</u>	<u>59,856</u>	<u>34,898</u>
Attributable to :				
Equity holders of the Company	17,771	604	50,572	28,772
Minority interests	<u>3,660</u>	<u>745</u>	<u>9,284</u>	<u>6,126</u>
	<u>21,431</u>	<u>1,349</u>	<u>59,856</u>	<u>34,898</u>
Earnings per share attributable to equity holders of the Company				
Basic (sen)	4.84	0.19	13.78	9.08
Diluted (sen)	4.79	0.19	13.63	8.85

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

TSH Resources Berhad (49548-D)
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Condensed Consolidated Balance Sheets

As at 31 Dec 2006

	As at 31.12.2006 RM'000	As at 31.12.2005 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	520,055	430,404
Investment in associate	49	49
Investments in jointly controlled entities	21,171	-
Other investments	10,150	150
Intangible assets	148	420
Goodwill on consolidation	12,495	12,295
Deferred tax assets	897	60
	<u>564,964</u>	<u>443,378</u>
Current assets		
Inventories	128,455	147,931
Trade receivables	79,565	53,857
Other receivables	76,552	54,002
Tax recoverable	9,384	8,466
Marketable securities	160	160
Cash and bank balances	18,084	18,886
	<u>312,201</u>	<u>283,302</u>
TOTAL ASSETS	<u><u>877,164</u></u>	<u><u>726,680</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	184,389	182,446
Reserves	244,260	211,711
	<u>428,649</u>	<u>394,157</u>
Minority interests	70,708	63,793
Total equity	<u>499,357</u>	<u>457,950</u>
Non-current liabilities		
Borrowings	58,369	48,900
Deferred income	50,046	50,046
Deferred tax liabilities	46,344	49,018
	<u>154,759</u>	<u>147,964</u>
Current liabilities		
Borrowings	127,749	62,568
Trade payables	34,322	18,498
Other payables	57,369	36,756
Tax payable	3,609	2,944
	<u>223,049</u>	<u>120,766</u>
Total liabilities	<u>377,807</u>	<u>268,730</u>
TOTAL EQUITY AND LIABILITIES	<u><u>877,164</u></u>	<u><u>726,680</u></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 Cash Flow Statements
For the year ended 31 Dec 2006

	Current quarter ended 31.12.2006 RM'000	Comparative quarter ended 31.12.2005 RM'000	12 months cumulative to date 31.12.2006 RM'000	12 months cumulative to date 31.12.2005 RM'000
Cash Flows from Operating Activities				
Profit before taxation	20,476	8,025	65,110	49,361
Adjustments for non-cash flow:-				
Depreciation of property, plant and equipment	6,065	5,054	20,813	18,044
Property, plant & equipment written off	103	2	248	2
Preliminary and pre-operating expenses written off	-	261	-	261
Government grant receivable	(84)	-	(84)	-
Provision for diminution in marketable securities	-	63	-	63
Provisin for diminution in stock value	326	-	326	-
Amortisation of plantation	319	568	2,961	2,271
(Gain)/loss on disposal of property, plant and equipment	(121)	(25)	(74)	(46)
Amortisation of intangible assets	22	27	106	101
Bad debts written off	8	16	9	23
Provision for doubtful debts	852	759	848	505
Net unrealised gain exchange (gains)/loss	53	(38)	63	(73)
Share of (profit) / loss of jointly controlled entities	(585)	-	(512)	-
Share based payment under ESOS	175	(7)	305	89
Interest expense	4,548	1,118	8,163	4,955
Interest income	(1,056)	(108)	(1,296)	(1,369)
Dividend Income	-	(2)	-	(2)
Share of results of an associate	-	1	-	1
	<u>31,100</u>	<u>15,714</u>	<u>96,985</u>	<u>74,186</u>
Operating cash flows before working capital changes				
(Increase)/decrease in inventories	7,230	(24,945)	19,361	(24,136)
(Increase)/decrease in receivables	(43,340)	(13,282)	(49,904)	(24,341)
Increase/(decrease) in payables	22,297	3,034	40,189	18,580
	<u>17,287</u>	<u>(19,479)</u>	<u>106,631</u>	<u>44,289</u>
Cash generated from/(absorbed by) operations				
Interest paid	(4,548)	(1,118)	(8,163)	(4,955)
Brand promotion grant received	1,077	-	1,077	-
Tax refunded	-	12	-	12
Taxation paid	(2,407)	(2,791)	(9,021)	(11,068)
	<u>11,409</u>	<u>(23,376)</u>	<u>90,524</u>	<u>28,278</u>
Net cash generated from/(used in) operating activities				
Cash Flows from Investing Activities				
Net cash inflow/(outflow) arising on acquisition of subsidiaries	1,683	-	(41,627)	-
Additional investment in jointly controlled entities	(10,750)	-	(25,750)	-
Purchase of additional shares in subsidiaries	-	(34)	-	(34)
Purchase of property, plant and equipment	(21,430)	(16,723)	(70,346)	(72,683)
Transferred of plant and equipment	-	3	-	3
Research and development expenditure	-	(144)	-	(144)
Plantation development expenditure	(12)	21	(39)	-
Payment of forest plantation development expenditure	(1,322)	(4,406)	(12,070)	(9,326)
Grant received	-	7,912	-	7,912
Deferred income received	-	11,250	-	11,250
Proceeds from disposal of property, plant & equipment	554	244	1,769	280
Interest received	1,056	108	1,296	1,369
Net dividends received	-	1	-	1
	<u>(30,221)</u>	<u>(1,768)</u>	<u>(146,767)</u>	<u>(61,372)</u>
Net cash used in investing activities				
Cash Flows from Financing Activities				
Proceeds from issuance of ordinary shares	78	(677)	2,127	44,221
Proceeds from term loans	17,154	(172)	96,549	28,900
Repayment of term loans	(6,549)	-	(28,041)	(25,000)
Withdrawal / (Placement) of fixed deposit with financial instituti	167	(78)	304	-
Net movement in short term borrowings	5,626	11,089	11,290	2,990
Acquisition of treasury shares	-	(166)	-	(166)
Drawdown of discounted bills	-	808	-	808
Dividend paid	(0)	-	(20,803)	(19,826)
	<u>16,476</u>	<u>10,804</u>	<u>61,426</u>	<u>31,927</u>
Net cash generated from financing activities				
Net increase / (decrease) in cash and cash equivalents	(2,337)	(14,340)	5,182	(1,167)
Cash and cash equivalents at beginning of period	18,155	26,820	10,993	11,508
Effect of exchange rate differences	(543)	(1,486)	(900)	653
Cash and cash equivalents at end of year	<u>15,275</u>	<u>10,994</u>	<u>15,275</u>	<u>10,994</u>

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)
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Condensed Consolidated Statement Of Changes In Equity

For the year ended 31 Dec 2006

	← Attributable to equity holders of the Company →							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	(868)	181,581	339,626	58,397	398,023
Issue of ordinary shares pursuant to:										
Exercise of ESOS	1,931	225						2,156		2,156
Conversion of Warrants	30,471	11,594						42,065		42,065
Share options granted under ESOS					89			89		89
Share buy-back			(166)					(166)		(166)
Acquisition of subsidiaries								-	855	855
Foreign exchange difference						(145)		(145)		(145)
Net profit for the year							28,772	28,772	6,126	34,898
Dividends paid							(18,240)	(18,240)	(1,586)	(19,826)
At 31 Dec 2005 (restated)	<u>182,446</u>	<u>13,119</u>	<u>(166)</u>	<u>1,469</u>	<u>6,189</u>	<u>(1,013)</u>	<u>192,113</u>	<u>394,157</u>	<u>63,792</u>	<u>457,949</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 adjustments					89		(557)	(468)	(11)	(479)
At 1 January 2006 (restated)	<u>182,446</u>	<u>13,119</u>	<u>(166)</u>	<u>1,469</u>	<u>6,189</u>	<u>(1,013)</u>	<u>192,113</u>	<u>394,157</u>	<u>63,792</u>	<u>457,949</u>
Issue of ordinary shares pursuant to:										
Exercise of ESOS	1,943	184						2,127		2,127
Share options granted under ESOS					305			305	35	340
Foreign exchange difference						(101)	(11)	(112)		(112)
Net profit for the year							50,572	50,572	9,284	59,856
Dividend paid							(18,400)	(18,400)	(2,403)	(20,803)
At 31 Dec 2006	<u>184,389</u>	<u>13,303</u>	<u>(166)</u>	<u>1,469</u>	<u>6,494</u>	<u>(1,114)</u>	<u>224,274</u>	<u>428,648</u>	<u>70,708</u>	<u>499,356</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