

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

Condensed Consolidated Statement of Comprehensive Income

| | Individual Quarter | | Cumulative Quarter | |
|-------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------|
| | Current Year Quarter 30.06.2012 RM'000 | Preceding Year Corresponding Quarter 30.06.2011 RM'000 | Current Year Quarter 30.06.2012 RM'000 | Preceding Year Corresponding Quarter 30.06.2011 RM'000 |
| Revenue | 278,984 | 329,947 | 506,362 | 582,546 |
| Cost of sales | <u>(212,206)</u> | <u>(241,135)</u> | <u>(374,984)</u> | <u>(431,625)</u> |
| Gross profit | 66,778 | 88,812 | 131,378 | 150,921 |
| Other operating income | 5,847 | 7,417 | 9,144 | 17,430 |
| Other operating expenses | <u>(46,706)</u> | <u>(41,258)</u> | <u>(90,217)</u> | <u>(81,987)</u> |
| Operating profit | 25,919 | 54,971 | 50,305 | 86,364 |
| Finance costs | (7,556) | (6,314) | (14,937) | (12,679) |
| Share of profit of an associate | 323 | 290 | 316 | 421 |
| Share of profit of jointly controlled entities | <u>1,584</u> | <u>2,686</u> | <u>7,640</u> | <u>11,167</u> |
| Profit before taxation | 20,270 | 51,633 | 43,324 | 85,273 |
| Taxation | <u>(3,116)</u> | <u>(11,009)</u> | <u>(8,228)</u> | <u>(18,130)</u> |
| Profit for the period | <u>17,154</u> | <u>40,624</u> | <u>35,096</u> | <u>67,143</u> |
| Other Comprehensive Income, net of tax | | | | |
| Foreign currency translation differences | <u>4,169</u> | <u>11,738</u> | <u>(14,417)</u> | <u>17,764</u> |
| Other Comprehensive income for the period, net of tax | <u>4,169</u> | <u>11,738</u> | <u>(14,417)</u> | <u>17,764</u> |
| Total comprehensive income for the period | <u><u>21,323</u></u> | <u><u>52,362</u></u> | <u><u>20,679</u></u> | <u><u>84,907</u></u> |
| Profit attributable to : | | | | |
| Owners of the parent | 14,625 | 35,964 | 29,679 | 59,918 |
| Non-controlling interests | 2,529 | 4,660 | 5,417 | 7,225 |
| | <u>17,154</u> | <u>40,624</u> | <u>35,096</u> | <u>67,143</u> |
| Total comprehensive income attributable to : | | | | |
| Owners of the parent | 18,280 | 47,189 | 18,406 | 76,801 |
| Non-controlling interests | <u>3,043</u> | <u>5,173</u> | <u>2,273</u> | <u>8,106</u> |
| | <u><u>21,323</u></u> | <u><u>52,362</u></u> | <u><u>20,679</u></u> | <u><u>84,907</u></u> |
| Earnings per share attributable to equity holders of the Company | | | | |
| Basic (sen) | 1.79 | 4.39 | 3.62 | 7.32 |
| Diluted (sen) | 1.79 | 4.38 | 3.62 | 7.31 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011

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

**Condensed Consolidated Statement of Financial Position
For The Second Quarter Ended 30 June 2012**

| | As at 30.06.2012 RM'000 | As at 31.12.2011 RM'000 |
|-------------------------------------------------------------|----------------------------------------|----------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 706,511 | 682,970 |
| Biological assets | 591,574 | 544,869 |
| Land use rights | 127,346 | 130,579 |
| Investments in associates | 57,756 | 57,440 |
| Investments in jointly controlled entities | 61,039 | 68,398 |
| Investments securities | 22,550 | 22,550 |
| Other receivables | 7,988 | 7,934 |
| Intangible assets | 50,235 | 50,235 |
| Deferred tax assets | 5,391 | 4,518 |
| | <u>1,630,390</u> | <u>1,569,493</u> |
| Current assets | | |
| Inventories | 206,930 | 184,823 |
| Trade and other receivables | 151,850 | 140,482 |
| Tax recoverable | 16,604 | 17,707 |
| Investments securities | 36 | 45 |
| Derivative assets | 0 | 27,362 |
| Cash and bank balances | 38,244 | 67,949 |
| | <u>413,664</u> | <u>438,368</u> |
| TOTAL ASSETS | <u><u>2,044,054</u></u> | <u><u>2,007,861</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 413,163 | 412,062 |
| Reserves | 456,411 | 436,354 |
| | <u>869,574</u> | <u>848,416</u> |
| Non-controlling interests | 98,680 | 98,967 |
| Total equity | <u>968,254</u> | <u>947,383</u> |
| Non-current liabilities | | |
| Retirement benefits | 3,222 | 3,222 |
| Deferred income | 66,678 | 69,135 |
| Borrowings | 444,276 | 323,754 |
| Deferred tax liabilities | 74,657 | 76,736 |
| | <u>588,833</u> | <u>472,847</u> |
| Current liabilities | | |
| Borrowings | 368,200 | 415,914 |
| Trade and other payables | 114,895 | 134,907 |
| Derivative liabilities | 2,131 | 25,010 |
| Current tax payable | 1,741 | 11,800 |
| | <u>486,967</u> | <u>587,631</u> |
| Total liabilities | <u>1,075,800</u> | <u>1,060,478</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>2,044,054</u></u> | <u><u>2,007,861</u></u> |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011

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

**Condensed Consolidated Statement of Changes In Equity
For The Second Quarter Ended 30 June 2012**

| | ← Attributable to owners of the parent → | | | | | | → Distributable → | | | | |
|------------------------------------------------------------|------------------------------------------|-------------------------|---------------------------|--------------------------------------|----------------------------|------------------------------------------|-------------------------------------------------|-----------------------------|------------------------|-------------------------------------|----------------|
| | | | | Non-distributable | | | Equity attributable to owners of the parent | | | | |
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM'000 | Asset Revaluation Reserves RM'000 | Capital Reserves RM'000 | Employee Share Option Reserves RM'000 | Foreign currency Translation Reserves RM'000 | Retained Earnings RM'000 | parent Total RM'000 | Non-controlling Interests RM'000 | |
| At 1 January 2011 | 207,265 | 93,723 | (5,359) | 1,390 | 9,498 | 3,502 | (15,431) | 457,717 | 752,305 | 92,764 | 845,069 |
| Total comprehensive income for the period | - | - | - | - | - | - | 16,883 | 59,918 | 76,801 | 8,106 | 84,907 |
| Issue of ordinary shares pursuant to ESOS | 262 | 602 | - | - | - | - | - | - | 864 | - | 864 |
| Acquisition of additional interest in a subsidiary company | - | - | - | - | (1,510) | - | - | - | (1,510) | 1,110 | (400) |
| Share options granted under ESOS | - | - | - | - | - | 72 | - | - | 72 | - | 72 |
| Purchase of treasury shares | - | - | (5,032) | - | - | - | - | - | (5,032) | - | (5,032) |
| Dividends paid to minority interests | - | - | - | - | - | - | - | - | - | (1,811) | (1,811) |
| At 30 June 2011 | <u>207,527</u> | <u>94,325</u> | <u>(10,391)</u> | <u>1,390</u> | <u>7,988</u> | <u>3,574</u> | <u>1,452</u> | <u>517,635</u> | <u>823,500</u> | <u>100,169</u> | <u>923,669</u> |
| At 1 January 2012 | 412,062 | - | (12,249) | 1,390 | 7,952 | 3,624 | (6,816) | 442,453 | 848,416 | 98,967 | 947,383 |
| Total comprehensive income for the period | - | - | - | - | - | - | (11,273) | 29,679 | 18,406 | 2,273 | 20,679 |
| Issue of ordinary shares pursuant to ESOS | 1,101 | 1,651 | - | - | - | - | - | - | 2,752 | - | 2,752 |
| Share options granted under ESOS | - | 1,265 | - | - | - | (3,432) | - | 2,167 | - | - | - |
| Dividends paid to minority interests | - | - | - | - | - | - | - | - | - | (2,560) | (2,560) |
| At 30 June 2012 | <u>413,163</u> | <u>2,916</u> | <u>(12,249)</u> | <u>1,390</u> | <u>7,952</u> | <u>192</u> | <u>(18,089)</u> | <u>474,299</u> | <u>869,574</u> | <u>98,680</u> | <u>968,254</u> |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011

TSH Resources Berhad (49548-D)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For The Second Quarter Ended 30 June 2012**

| | Individual Quarter | | Cumulative Quarter | |
|----------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------------|
| | Current Year Quarter 30.06.2012 RM'000 | Preceding Year Corresponding Quarter 30.06.2011 RM'000 | Current Year Quarter 30.06.2012 RM'000 | Preceding Year Corresponding Quarter 30.06.2011 RM'000 |
| Cash Flows from Operating Activities | | | | |
| Profit before taxation | 20,270 | 51,633 | 43,324 | 85,273 |
| Adjustments for non-cash flow:- | | | | |
| Depreciation and amortisation of property, plant and equipment | 9,082 | 8,178 | 17,855 | 16,270 |
| Property, plant and equipment written off | 21 | 9 | 37 | 9 |
| Amortisation of land use rights | 2,095 | 1,548 | 3,132 | 2,391 |
| Loss on disposal of share in an associate | - | - | - | 657 |
| (Gain) / loss on fair value changes on quoted investment | 6 | 2 | 9 | 8 |
| Gain on disposal of property, plant and equipment | (136) | (1,028) | (288) | (1,029) |
| Bad debts written back | (11) | - | (29) | - |
| Amortisation of deferred income | (1,230) | (1,229) | (2,458) | (2,457) |
| Net unrealised foreign exchange loss / (gain) | 5,669 | (2,031) | 6,720 | (6,416) |
| Unrealised (gain) / loss on commodity future contract | (1,740) | 340 | (98) | (3,780) |
| Share of profit of jointly controlled entities | (1,585) | (2,687) | (7,641) | (11,168) |
| Share of profit of an associate | (323) | (290) | (316) | (421) |
| Share options granted under ESOS | - | 15 | - | 30 |
| Interest expense | 7,556 | 6,314 | 14,937 | 12,679 |
| Interest income | (186) | (162) | (424) | (350) |
| Dividend income | (688) | (405) | (688) | (611) |
| Operating profit before working capital changes | 38,800 | 60,207 | 74,072 | 91,085 |
| Changes in working capital | | | | |
| Inventories | (8,830) | 15,050 | (17,333) | 20,675 |
| Receivables | (4,785) | (15,986) | (11,345) | (18,788) |
| Payables | (1,401) | 11,382 | (20,130) | (5,830) |
| Cash generated from operations | 23,784 | 70,653 | 25,264 | 87,142 |
| Interest paid | (7,556) | (6,314) | (14,937) | (12,679) |
| Income tax paid | (15,824) | (9,059) | (19,546) | (13,516) |
| Net cash generated from operating activities | 404 | 55,280 | (9,219) | 60,947 |
| Cash Flows from Investing Activities | | | | |
| Additional investment in subsidiary company | - | - | - | (400) |
| Withdrawal/(placement) of pledged deposits | - | (1) | - | (4) |
| Purchase of property, plant and equipment | (27,898) | (16,665) | (49,106) | (23,901) |
| Payment for oil palm planting expenditure | (28,492) | (14,997) | (50,815) | (29,708) |
| Payment of forest planting expenditure | (3,295) | (2,594) | (8,177) | (4,705) |
| Proceeds from disposal of property, plant and equipment | 244 | 3,074 | 3,420 | 3,143 |
| Proceeds from disposal of shares in an associate | - | - | - | 1,886 |
| Interest received | 186 | 162 | 424 | 350 |
| Net dividends received | 688 | 414 | 688 | 568 |
| Dividend received from jointly controlled entity | 15,000 | 12,500 | 15,000 | 12,500 |
| Net cash used in investing activities | (43,567) | (18,107) | (88,566) | (40,271) |
| Cash Flows from Financing Activities | | | | |
| Proceeds from issuance of ordinary shares | - | 279 | 2,752 | 864 |
| Purchase of treasury shares | - | (5,032) | - | (5,032) |
| Net movement in term loans/commercial papers/medium term notes | 24,544 | 4,642 | 43,069 | 7,920 |
| Net movement in other borrowings | 4,684 | (48,248) | 22,636 | (66,482) |
| Dividends paid to non-controlling interests | (2,560) | (109) | (2,560) | (1,811) |
| Net cash generated from / (used in) financing activities | 26,668 | (48,468) | 65,897 | (64,541) |
| Net increase / (decrease) in cash and cash equivalents | (16,495) | (11,295) | (31,888) | (43,865) |
| Cash and cash equivalents at beginning of period | 52,366 | 47,870 | 62,887 | 78,629 |
| Effect of foreign exchange rate changes | (2,739) | 5,146 | 2,133 | 6,957 |
| Cash and cash equivalents at end of period | 33,132 | 41,721 | 33,132 | 41,721 |
| Cash and Cash Equivalents comprised: | | | | |
| Cash in hand and at banks | 29,654 | 29,433 | 29,654 | 29,433 |
| Deposits with licensed banks | 8,590 | 12,530 | 8,590 | 12,530 |
| Less : Bank overdraft | (2,705) | (175) | (2,705) | (175) |
| Less : Deposits pledged with security | (2,407) | (67) | (2,407) | (67) |
| Cash and bank balances | 33,132 | 41,721 | 33,132 | 41,721 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011