

TONG HERR RESOURCES BERHAD
(Company No.432139-W)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 DECEMBER 2015
(Financial Year Ended 31 December 2015)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 31-Dec-15 RM'000	(Unaudited) Quarter Ended 31-Dec-14 RM'000	(Unaudited) Quarter Ended 31-Dec-15 RM'000	(Audited) Quarter Ended 31-Dec-14 RM'000
Revenue	152,853	149,946	599,085	562,440
Cost of Sales	<u>(133,774)</u>	<u>(131,620)</u>	<u>(528,331)</u>	<u>(483,662)</u>
Gross Profit	19,079	18,326	70,754	78,778
Other income	3,916	2,421	7,510	6,838
Distribution costs	(3,615)	(4,619)	(11,974)	(13,795)
Administrative and general expenses	(15,145)	(9,093)	(32,524)	(16,896)
Finance costs	(375)	(586)	(1,868)	(1,965)
Share of results of associates	<u>(10,287)</u>	<u>(2,436)</u>	<u>(20,177)</u>	<u>(2,005)</u>
Profit Before Tax	(6,427)	4,013	11,721	50,955
Tax expenses	(2,262)	(12)	(9,093)	(9,092)
Profit For The Period	<u>(8,689)</u>	<u>4,001</u>	<u>2,628</u>	<u>41,863</u>
Other comprehensive income				
Currency translation differences for foreign operations	(3,756)	10,212	31,088	11,805
Share of other comprehensive income of associates	(8)	(672)	(3,456)	(1,458)
	(3,764)	9,540	27,632	10,347
Total comprehensive income for the period	<u>(12,453)</u>	<u>13,541</u>	<u>30,260</u>	<u>52,210</u>
(Loss)/Profit for the period attributable to:				
Owners of the Company	(10,553)	3,348	(3,109)	30,206
Non-controlling interests	<u>1,864</u>	<u>653</u>	<u>5,737</u>	<u>11,657</u>
	<u>(8,689)</u>	<u>4,001</u>	<u>2,628</u>	<u>41,863</u>
Total comprehensive income attributable to:				
Owners of the Company	(13,284)	10,243	17,279	37,164
Non-controlling interests	831	3,298	12,981	15,046
	<u>(12,453)</u>	<u>13,541</u>	<u>30,260</u>	<u>52,210</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>-8.37</u>	<u>2.65</u>	<u>-2.47</u>	<u>23.89</u>
Diluted, for profit for the period (sen)	<u>-8.37</u>	<u>2.65</u>	<u>-2.47</u>	<u>23.89</u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD
(Company No.432139-W)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015
(Financial Year Ended 31 December 2015)

	(Unaudited) 31 December 2015 RM'000	(Audited) 31 December 2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	149,556	145,578
Prepaid lease payments	6,030	6,193
Investment in associates	0	76,691
Deferred tax assets	0	40
	<u>155,586</u>	<u>228,502</u>
Current assets		
Asset held for sale	60,530	0
Inventories	257,540	256,596
Trade and other receivables	59,296	61,036
Financial assets at fair value through profit or loss	1,296	544
Prepayments	3,500	1,280
Current tax assets	1,315	146
Cash and cash equivalents	101,315	127,599
	<u>484,792</u>	<u>447,201</u>
TOTAL ASSETS	<u>640,378</u>	<u>675,703</u>
EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(3,931)	(1,961)
Currency translation reserve	22,075	1,687
Retained profits	205,292	215,976
Equity attributable to owners of the Company	<u>350,866</u>	<u>343,132</u>
Non-controlling interests	<u>107,669</u>	<u>96,158</u>
Total equity	<u>458,535</u>	<u>439,290</u>
Non-current liabilities		
Deferred tax liabilities	6,137	5,808
Loans and borrowings	45	4,781
	<u>6,182</u>	<u>10,589</u>
Current Liabilities		
Loans and borrowings	148,624	188,875
Trade and other payables	25,419	33,950
Current tax liabilities	1,618	2,999
	<u>175,661</u>	<u>225,824</u>
TOTAL LIABILITIES	<u>181,843</u>	<u>236,413</u>
TOTAL EQUITY AND LIABILITIES	<u>640,378</u>	<u>675,703</u>
Net assets per share attributable to owners of the Company (sen)	<u>280</u>	<u>271</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 DECEMBER 2015
(Financial Year Ended 31 December 2015)

	Share Capital	Treasury Shares	Non-Distributable Currency Translation Reserves	Distributable* Retained profits	Equity attributable to owners of the Company	Non-controlling interests	Total Equity
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2015	127,430	(1,961)	1,687	215,976	343,132	96,158	439,290
Total comprehensive income	0	0	20,388	(3,109)	17,279	12,981	30,260
Purchase of own shares	0	(1,970)	0	0	(1,970)	0	(1,970)
Dividends paid:-							
- Owners of the Company	0	0	0	(7,575)	(7,575)	0	(7,575)
- Non-controlling interests	0	0	0	0	0	(1,470)	(1,470)
At 31 December 2015	<u>127,430</u>	<u>(3,931)</u>	<u>22,075</u>	<u>205,292</u>	<u>350,866</u>	<u>107,669</u>	<u>458,535</u>
At 1 January 2014	127,430	(1,929)	(5,271)	199,676	319,906	86,212	406,118
Total comprehensive income	0	0	6,958	30,206	37,164	15,046	52,210
Purchase of own shares	0	(32)	0	0	(32)	0	(32)
Dividends paid:-							
- Owners of the Company	0	0	0	(13,906)	(13,906)	0	(13,906)
- Non-controlling interests	0	0	0	0	0	(5,100)	(5,100)
At 31 December 2014	<u>127,430</u>	<u>(1,961)</u>	<u>1,687</u>	<u>215,976</u>	<u>343,132</u>	<u>96,158</u>	<u>439,290</u>

* Treasury shares as at 31 December 2015 amounting RM3,931,000 (31 December 2014: RM1,961,000), being the total cost of the treasury shares purchased, are considered as non-distributable.
(The Unaudited Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

TONG HERR RESOURCES BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015
 (Financial Year Ended 31 December 2015)

	(Unaudited) Year Ended 31-Dec-15 RM'000	(Audited) Year Ended 31-Dec-14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,721	50,955
Adjustments for:-		
Non-cash items	45,008	26,240
Non-operating items	<u>(1,074)</u>	<u>(933)</u>
	55,655	76,262
Changes in working capitals	(8,033)	(80,004)
	<u>47,622</u>	<u>(3,742)</u>
Cash generated from operations	47,622	(3,742)
Net income tax paid	(10,248)	(8,171)
	<u>37,374</u>	<u>(11,913)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(12,229)	(4,138)
Proceeds from disposal of property, plant and equipments	139	20
Interest received	<u>2,942</u>	<u>2,898</u>
Net cash used in investing activities	(9,148)	(1,220)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/ Increase in bank borrowings, net	(40,872)	61,612
Repayment of term loans	(5,901)	(5,754)
Repayment of hire purchase and lease creditor	(29)	0
Dividends paid to shareholders of the Company	(7,575)	(13,906)
Dividends paid to non-controlling interests	(1,470)	(5,100)
Interest paid	(1,785)	(1,902)
Purchase of own shares	(1,970)	(32)
Increase of fixed deposits pledged	<u>(1,436)</u>	<u>(18)</u>
Net Cash (used in)/from financing activities	(61,038)	34,900
	<u>(32,812)</u>	<u>21,767</u>
Net (decrease)/increase in cash and cash equivalents	(32,812)	21,767
Effect of exchange rate changes	5,092	1,903
Cash and cash equivalents at beginning of financial period	126,955	103,285
	<u>99,235</u>	<u>126,955</u>

Cash and cash equivalents at end of financial period comprise the following:

	As at 31-Dec-15 RM'000	As at 31-Dec-14 RM'000
Cash and bank balances	101,315	127,599
Less: Fixed deposits pledged with bank	<u>(2,080)</u>	<u>(644)</u>
	<u>99,235</u>	<u>126,955</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)