

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 31 MARCH 2016  
(Financial Year Ending 31 December 2016)

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	(Unaudited) Quarter Ended 31-Mar-16 RM'000	(Unaudited) Quarter Ended 31-Mar-15 RM'000	(Unaudited) Quarter Ended 31-Mar-16 RM'000	(Unaudited) Quarter Ended 31-Mar-15 RM'000
Revenue	142,436	158,828	142,436	158,828
Cost of Sales	(125,814)	(138,155)	(125,814)	(138,155)
<b>Gross Profit</b>	<u>16,622</u>	<u>20,673</u>	<u>16,622</u>	<u>20,673</u>
Other income	17,961	5,265	17,961	5,265
Distribution costs	(2,347)	(3,142)	(2,347)	(3,142)
Administrative and general expenses	(9,868)	(5,486)	(9,868)	(5,486)
Finance costs	(289)	(524)	(289)	(524)
Share of results of associates	0	(2,431)	0	(2,431)
<b>Profit Before Tax</b>	<u>22,079</u>	<u>14,355</u>	<u>22,079</u>	<u>14,355</u>
Tax expenses	(3,112)	(3,251)	(3,112)	(3,251)
<b>Profit For The Period</b>	<u>18,967</u>	<u>11,104</u>	<u>18,967</u>	<u>11,104</u>
Other comprehensive income				
Currency translation differences for foreign operations	(9,803)	12,532	(9,803)	12,532
Reclassification adjustment upon disposal of foreign operations	(11,780)	0	(11,780)	0
Share of other comprehensive income of associates	0	(132)	0	(132)
	<u>(21,583)</u>	<u>12,400</u>	<u>(21,583)</u>	<u>12,400</u>
Total comprehensive income for the period	<u>(2,616)</u>	<u>23,504</u>	<u>(2,616)</u>	<u>23,504</u>
Profit for the period attributable to:				
Owners of the Company	16,484	7,343	16,484	7,343
Non-controlling interests	2,483	3,761	2,483	3,761
	<u>18,967</u>	<u>11,104</u>	<u>18,967</u>	<u>11,104</u>
Total comprehensive income attributable to:				
Owners of the Company	(211)	15,742	(211)	15,742
Non-controlling interests	(2,405)	7,762	(2,405)	7,762
	<u>(2,616)</u>	<u>23,504</u>	<u>(2,616)</u>	<u>23,504</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>13.21</u>	<u>5.81</u>	<u>13.21</u>	<u>5.81</u>
Diluted, for profit for the period (sen)	<u>13.21</u>	<u>5.81</u>	<u>13.21</u>	<u>5.81</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 2015 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD  
(Company No.432139-W)  
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016  
(Financial Year Ending 31 December 2016)

	(Unaudited) 31 March 2016 RM'000	(Audited) 31 December 2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	141,198	149,556
Prepaid lease payments	5,990	6,030
	<u>147,188</u>	<u>155,586</u>
<b>Current assets</b>		
Asset held for sale	0	60,530
Inventories	228,143	257,540
Trade and other receivables	64,021	59,296
Financial assets at fair value through profit or loss	0	1,296
Prepayments	2,921	3,500
Current tax assets	1,224	1,315
Cash and cash equivalents	146,663	101,315
	<u>442,972</u>	<u>484,792</u>
<b>TOTAL ASSETS</b>	<u>590,160</u>	<u>640,378</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	127,430	127,430
Treasury shares	(5,290)	(3,931)
Currency translation reserve	5,380	22,075
Retained profits	221,776	205,292
<b>Equity attributable to owners of the Company</b>	<u>349,296</u>	<u>350,866</u>
<b>Non-controlling interests</b>	<u>105,264</u>	<u>107,669</u>
<b>Total equity</b>	<u>454,560</u>	<u>458,535</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	6,260	6,137
Loans and borrowings	35	45
	<u>6,295</u>	<u>6,182</u>
<b>Current Liabilities</b>		
Loans and borrowings	109,265	148,624
Trade and other payables	16,763	25,419
Financial liabilities at fair value through profit or loss	793	0
Current tax liabilities	2,484	1,618
	<u>129,305</u>	<u>175,661</u>
<b>TOTAL LIABILITIES</b>	<u>135,600</u>	<u>181,843</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>590,160</u>	<u>640,378</u>
<b>Net assets per share attributable to owners of the Company (sen)</b>	<u>280</u>	<u>280</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 2015 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 Period Ended 31 MARCH 2016  
(Financial Year Ending 31 December 2016)

	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Non-Distributable Currency Translation Reserves</b>	<b>Distributable* Retained profits</b>	<b>Equity attributable to owners of the Company</b>	<b>Non-controlling interests</b>	<b>Total Equity</b>
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>At 1 January 2016</b>	127,430	(3,931)	22,075	205,292	350,866	107,669	458,535
Total comprehensive income	0	0	(16,695)	16,484	(211)	(2,405)	(2,616)
Purchase of own shares	0	(1,359)	0	0	(1,359)	0	(1,359)
<b>At 31 March 2016</b>	<u>127,430</u>	<u>(5,290)</u>	<u>5,380</u>	<u>221,776</u>	<u>349,296</u>	<u>105,264</u>	<u>454,560</u>
<b>At 1 January 2015</b>	127,430	(1,961)	1,687	215,976	343,132	96,158	439,290
Total comprehensive income	0	0	8,399	7,343	15,742	7,762	23,504
Purchase of own shares	0	(333)	0	0	(333)	0	(333)
<b>At 31 March 2015</b>	<u>127,430</u>	<u>(2,294)</u>	<u>10,086</u>	<u>223,319</u>	<u>358,541</u>	<u>103,920</u>	<u>462,461</u>

\* Treasury shares as at 31 March 2016 amounting RM5,290,000 (31 March 2015: RM2,294,000), 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 2015 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 PERIOD ENDED 31 MARCH 2016**  
 (Financial Year Ending 31 December 2016)

	(Unaudited) Year Ended 31-Mar-16 RM'000	(Unaudited) Year Ended 31-Mar-15 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	22,079	14,355
Adjustments for:-		
Non-cash items	(10,501)	6,935
Non-operating items	(329)	(65)
	11,249	21,225
Changes in working capitals	30,188	14,380
	41,437	35,605
Cash generated from operations	41,437	35,605
Net income tax paid	(2,030)	(1,908)
Net cash generated from operating activities	39,407	33,697
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(2,094)	(4,038)
Proceeds from disposal of property, plant and equipments	0	53
Proceeds from disposal of foreign operations	49,050	0
Interest received	618	589
Net cash generated from/(used in) investing activities	47,574	(3,396)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in bank borrowings, net	(33,725)	(28,158)
Repayment of term loans	(2,531)	(977)
Repayment of hire purchase and lease creditor	(9)	(3)
Interest paid	(289)	(367)
Purchase of own shares	(1,359)	(333)
Increase of fixed deposits pledged	(55)	(1,444)
Net Cash used in financing activities	(37,968)	(31,282)
Net increase/(decrease) in cash and cash equivalents	49,013	(981)
Effect of exchange rate changes	(3,720)	2,461
Cash and cash equivalents at beginning of financial period	99,235	126,955
Cash and cash equivalents at end of financial period	144,528	128,435

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

	As at 31-Mar-16 RM'000	As at 31-Mar-15 RM'000
Cash and bank balances	146,663	130,524
Less: Fixed deposits pledged with bank	(2,135)	(2,089)
	144,528	128,435

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)