

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 JUNE 2016
(Financial Year Ending 31 December 2016)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 30-Jun-16 RM'000	(Unaudited) Quarter Ended 30-Jun-15 RM'000	(Unaudited) Quarter Ended 30-Jun-16 RM'000	(Unaudited) Quarter Ended 30-Jun-15 RM'000
Revenue	133,233	142,451	275,669	301,279
Cost of Sales	(120,628)	(127,745)	(246,442)	(265,900)
Gross Profit	<u>12,605</u>	<u>14,706</u>	<u>29,227</u>	<u>35,379</u>
Other income	3,455	(381)	21,416	4,884
Distribution costs	(2,703)	(2,714)	(5,050)	(5,856)
Administrative and general expenses	(597)	(3,245)	(10,465)	(8,731)
Finance costs	(319)	(500)	(608)	(1,024)
Share of results of associates	0	(3,967)	0	(6,398)
Profit Before Tax	<u>12,441</u>	<u>3,899</u>	<u>34,520</u>	<u>18,254</u>
Tax expenses	(1,686)	(2,673)	(4,798)	(5,924)
Profit For The Period	<u>10,755</u>	<u>1,226</u>	<u>29,722</u>	<u>12,330</u>
Other comprehensive income				
Currency translation differences for foreign operations	4,615	(524)	(5,188)	12,008
Reclassification adjustment upon disposal of foreign operations	0	0	(11,780)	0
Share of other comprehensive income of associates	0	80	0	(52)
	4,615	(444)	(16,968)	11,956
Total comprehensive income for the period	<u>15,370</u>	<u>782</u>	<u>12,754</u>	<u>24,286</u>
Profit for the period attributable to:				
Owners of the Company	7,796	801	24,280	8,144
Non-controlling interests	2,959	425	5,442	4,186
	<u>10,755</u>	<u>1,226</u>	<u>29,722</u>	<u>12,330</u>
Total comprehensive income attributable to:				
Owners of the Company	10,104	1,353	9,893	17,095
Non-controlling interests	5,266	(571)	2,861	7,191
	<u>15,370</u>	<u>782</u>	<u>12,754</u>	<u>24,286</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>6.25</u>	<u>0.63</u>	<u>19.46</u>	<u>6.45</u>
Diluted, for profit for the period (sen)	<u>6.25</u>	<u>0.63</u>	<u>19.46</u>	<u>6.45</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)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016
(Financial Year Ending 31 December 2016)

	(Unaudited) 30 June 2016 RM'000	(Audited) 31 December 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	143,419	149,556
Prepaid lease payments	5,949	6,030
	149,368	155,586
Current assets		
Asset held for sale	0	60,530
Inventories	210,579	257,540
Trade and other receivables	67,166	59,296
Financial assets at fair value through profit or loss	721	1,296
Prepayments	861	3,500
Current tax assets	1,224	1,315
Cash and cash equivalents	142,824	101,315
	423,375	484,792
TOTAL ASSETS	572,743	640,378
 EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(5,290)	(3,931)
Currency translation reserve	7,688	22,075
Retained profits	217,108	205,292
Equity attributable to owners of the Company	346,936	350,866
Non-controlling interests	110,530	107,669
Total equity	457,466	458,535
 Non-current liabilities		
Deferred tax liabilities	6,241	6,137
Loans and borrowings	80	45
	6,321	6,182
 Current Liabilities		
Loans and borrowings	91,650	148,624
Trade and other payables	15,402	25,419
Current tax liabilities	1,904	1,618
	108,956	175,661
TOTAL LIABILITIES	115,277	181,843
TOTAL EQUITY AND LIABILITIES	572,743	640,378
 Net assets per share attributable to owners of the Company (sen)	 278	 280

(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 30 JUNE 2016
(Financial Year Ending 31 December 2016)

	Share Capital (RM'000)	Treasury Shares (RM'000)	Non-Distributable Currency Translation Reserves (RM'000)	Distributable* Retained profits (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total Equity (RM'000)
At 1 January 2016	127,430	(3,931)	22,075	205,292	350,866	107,669	458,535
Total comprehensive income	0	0	(14,387)	24,280	9,893	2,861	12,754
Purchase of own shares	0	(1,359)	0	0	(1,359)	0	(1,359)
Dividends paid:- - Owners of the Company	0	0	0	(12,464)	(12,464)	0	(12,464)
At 30 June 2016	<u>127,430</u>	<u>(5,290)</u>	<u>7,688</u>	<u>217,108</u>	<u>346,936</u>	<u>110,530</u>	<u>457,466</u>
At 1 January 2015	127,430	(1,961)	1,687	215,976	343,132	96,158	439,290
Total comprehensive income	0	0	8,951	8,144	17,095	7,191	24,286
Purchase of own shares	0	(333)	0	0	(333)	0	(333)
Dividends paid:- - Owners of the Company	0	0	0	(7,575)	(7,575)	0	(7,575)
At 30 June 2015	<u>127,430</u>	<u>(2,294)</u>	<u>10,638</u>	<u>216,545</u>	<u>352,319</u>	<u>103,349</u>	<u>455,668</u>

* Treasury shares as at 30 June 2016 amounting RM5,290,000 (30 June 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 30 JUNE 2016
(Financial Year Ending 31 December 2016)

	(Unaudited) Year Ended 30-Jun-16 RM'000	(Unaudited) Year Ended 30-Jun-15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	34,520	18,254
Adjustments for:-		
Non-cash items	(9,711)	18,128
Non-operating items	(984)	(142)
	<u>23,825</u>	<u>36,240</u>
Changes in working capitals	49,824	19,997
	<u>73,649</u>	<u>56,237</u>
Cash generated from operations	73,649	56,237
Net income tax paid	(4,315)	(4,777)
	<u>69,334</u>	<u>51,460</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(5,831)	(8,872)
Proceeds from disposal of property, plant and equipments	65	96
Proceeds from disposal of foreign operations	49,656	0
Interest received	1,592	1,167
	<u>45,482</u>	<u>(7,609)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in bank borrowings, net	(52,600)	(37,190)
Repayment of term loans	(4,282)	(2,894)
Repayment of hire purchase and lease creditor	(9)	(13)
Dividends paid to shareholders of the Company	(12,464)	(7,575)
Interest paid	(608)	(867)
Purchase of own shares	(1,359)	(333)
Increase of fixed deposits pledged	(55)	(1,428)
	<u>(71,377)</u>	<u>(50,300)</u>
Net Cash used in financing activities	(71,377)	(50,300)
Net increase/(decrease) in cash and cash equivalents	43,439	(6,449)
Effect of exchange rate changes	(1,985)	2,179
Cash and cash equivalents at beginning of financial period	99,235	126,955
	<u>140,689</u>	<u>122,685</u>
Cash and cash equivalents at end of financial period	<u>140,689</u>	<u>122,685</u>

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

	As at 30-Jun-16 RM'000	As at 30-Jun-15 RM'000
Cash and bank balances	142,824	124,757
Less: Fixed deposits pledged with bank	(2,135)	(2,072)
	<u>140,689</u>	<u>122,685</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 2015 and the accompanying explanatory notes attached to the interim financial statements.)