

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 SEPTEMBER 2016

(Financial Year Ending 31 December 2016)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 30-Sep-16 RM'000	(Unaudited) Quarter Ended 30-Sep-15 RM'000	(Unaudited) Quarter Ended 30-Sep-16 RM'000	(Unaudited) Quarter Ended 30-Sep-15 RM'000
Revenue	143,466	144,953	419,135	446,232
Cost of Sales	(127,503)	(128,657)	(373,945)	(394,557)
Gross Profit	<u>15,963</u>	<u>16,296</u>	<u>45,190</u>	<u>51,675</u>
Other income	2,765	(1,290)	24,181	3,594
Distribution costs	(2,761)	(2,503)	(7,811)	(8,359)
Administrative and general expenses	(3,277)	(8,648)	(13,742)	(17,379)
Finance costs	(334)	(469)	(942)	(1,493)
Share of results of associates	0	(3,492)	0	(9,890)
Profit/(Loss) Before Tax	<u>12,356</u>	<u>(106)</u>	<u>46,876</u>	<u>18,148</u>
Tax expenses	(3,130)	(907)	(7,928)	(6,831)
Profit/(Loss) For The Period	<u>9,226</u>	<u>(1,013)</u>	<u>38,948</u>	<u>11,317</u>
Other comprehensive income				
Currency translation differences for foreign operations	5,592	22,836	404	34,844
Reclassification adjustment upon disposal of foreign operations	0	0	(11,780)	0
Share of other comprehensive income of associates	0	(3,396)	0	(3,448)
	<u>5,592</u>	<u>19,440</u>	<u>(11,376)</u>	<u>31,396</u>
Total comprehensive income for the period	<u>14,818</u>	<u>18,427</u>	<u>27,572</u>	<u>42,713</u>
Profit/(Loss) for the period attributable to:				
Owners of the Company	6,089	(700)	30,369	7,444
Non-controlling interests	3,137	(313)	8,579	3,873
	<u>9,226</u>	<u>(1,013)</u>	<u>38,948</u>	<u>11,317</u>
Total comprehensive income attributable to:				
Owners of the Company	8,884	13,468	18,777	30,563
Non-controlling interests	5,934	4,959	8,795	12,150
	<u>14,818</u>	<u>18,427</u>	<u>27,572</u>	<u>42,713</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>4.88</u>	<u>-0.56</u>	<u>24.35</u>	<u>5.91</u>
Diluted, for profit for the period (sen)	<u>4.88</u>	<u>-0.56</u>	<u>24.35</u>	<u>5.91</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 SEPTEMBER 2016
(Financial Year Ending 31 December 2016)

	(Unaudited) 30 September 2016 RM'000	(Audited) 31 December 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	143,733	149,556
Prepaid lease payments	5,908	6,030
	149,641	155,586
Current assets		
Asset held for sale	0	60,530
Inventories	208,884	257,540
Trade and other receivables	73,954	59,296
Financial assets at fair value through profit or loss	126	1,296
Prepayments	1,888	3,500
Current tax assets	98	1,315
Cash and cash equivalents	164,680	101,315
	449,630	484,792
TOTAL ASSETS	599,271	640,378
 EQUITY AND LIABILITIES		
Share capital	127,430	127,430
Treasury shares	(5,290)	(3,931)
Currency translation reserve	10,483	22,075
Retained profits	223,197	205,292
Equity attributable to owners of the Company	355,820	350,866
Non-controlling interests	114,994	107,669
Total equity	470,814	458,535
 Non-current liabilities		
Deferred tax liabilities	6,219	6,137
Loans and borrowings	66	45
	6,285	6,182
 Current Liabilities		
Loans and borrowings	102,373	148,624
Trade and other payables	17,878	25,419
Current tax liabilities	1,921	1,618
	122,172	175,661
TOTAL LIABILITIES	128,457	181,843
TOTAL EQUITY AND LIABILITIES	599,271	640,378
 Net assets per share attributable to owners of the Company (sen)	 285	 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 SEPTEMBER 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	(11,592)	30,369	18,777	8,795	27,572
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 September 2016	<u>127,430</u>	<u>(5,290)</u>	<u>10,483</u>	<u>223,197</u>	<u>355,820</u>	<u>114,994</u>	<u>470,814</u>
At 1 January 2015	127,430	(1,961)	1,687	215,976	343,132	96,158	439,290
Total comprehensive income	0	0	23,119	7,444	30,563	12,150	42,713
Purchase of own shares	0	(1,619)	0	0	(1,619)	0	(1,619)
Dividends paid:- - Owners of the Company	0	0	0	(7,575)	(7,575)	0	(7,575)
At 30 September 2015	<u>127,430</u>	<u>(3,580)</u>	<u>24,806</u>	<u>215,845</u>	<u>364,501</u>	<u>108,308</u>	<u>472,809</u>

* Treasury shares as at 30 September 2016 amounting RM5,290,000 (30 September 2015: RM3,580,000), 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 SEPTEMBER 2016
(Financial Year Ending 31 December 2016)

	(Unaudited) Year Ended 30-Sep-16 RM'000	(Unaudited) Year Ended 30-Sep-15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	46,876	18,148
Adjustments for:-		
Non-cash items	213	34,791
Non-operating items	<u>(1,559)</u>	<u>(359)</u>
	45,530	52,580
Changes in working capitals	41,861	(3,278)
	<u>87,391</u>	<u>49,302</u>
Cash generated from operations	87,391	49,302
Net income tax paid	(6,325)	(8,316)
	<u>81,066</u>	<u>40,986</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(7,166)	(10,286)
Proceeds from disposal of property, plant and equipments	151	94
Proceeds from disposal of foreign operations	49,656	0
Interest received	2,501	1,852
	<u>45,142</u>	<u>(8,340)</u>
Net cash generated from/(used in) investing activities	45,142	(8,340)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in bank borrowings, net	(41,582)	(43,757)
Repayment of term loans	(5,513)	(3,605)
Repayment of hire purchase and lease creditor	(43)	(23)
Dividends paid to shareholders of the Company	(12,464)	(7,575)
Dividends paid to non-controlling interests	(1,470)	0
Interest paid	(942)	(1,335)
Purchase of own shares	(1,359)	(1,619)
Increase of fixed deposits pledged	(55)	(1,431)
	<u>(63,428)</u>	<u>(59,345)</u>
Net cash used in financing activities	(63,428)	(59,345)
Net increase/(decrease) in cash and cash equivalents	62,780	(26,699)
Effect of exchange rate changes	530	5,460
Cash and cash equivalents at beginning of financial period	99,235	126,955
	<u>162,545</u>	<u>105,716</u>
Cash and cash equivalents at end of financial period	<u>162,545</u>	<u>105,716</u>

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

	As at 30-Sep-16 RM'000	As at 30-Sep-15 RM'000
Cash and bank balances	164,680	107,791
Less: Fixed deposits pledged with bank	(2,135)	(2,075)
	<u>162,545</u>	<u>105,716</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.)