

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 31 DECEMBER 2016

(Financial Year Ended 31 December 2016)

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	(Unaudited) Quarter Ended 31-Dec-16 RM'000	(Unaudited) Quarter Ended 31-Dec-15 RM'000	(Unaudited) Quarter Ended 31-Dec-16 RM'000	(Audited) Quarter Ended 31-Dec-15 RM'000
Revenue	154,291	152,853	573,426	599,085
Cost of Sales	(129,613)	(133,774)	(503,558)	(528,331)
<b>Gross Profit</b>	<u>24,678</u>	<u>19,079</u>	<u>69,868</u>	<u>70,754</u>
Other income	2,633	3,916	26,814	7,510
Distribution costs	(4,036)	(3,578)	(11,847)	(11,936)
Administrative and general expenses	(3,355)	(15,091)	(17,097)	(32,471)
Finance costs	(396)	(466)	(1,338)	(1,959)
Share of results of associates	0	(10,287)	0	(20,177)
<b>Profit/(Loss) Before Tax</b>	<u>19,524</u>	<u>(6,427)</u>	<u>66,400</u>	<u>11,721</u>
Tax expenses	(3,287)	(2,262)	(11,215)	(9,093)
<b>Profit/(Loss) For The Period</b>	<u>16,237</u>	<u>(8,689)</u>	<u>55,185</u>	<u>2,628</u>
Other comprehensive income				
Currency translation differences for foreign operations	7,403	(3,756)	7,807	31,088
Reclassification adjustment on disposal of associates	0	0	(11,780)	0
Share of other comprehensive income of associates	0	(8)	0	(3,456)
	<u>7,403</u>	<u>(3,764)</u>	<u>(3,973)</u>	<u>27,632</u>
Total comprehensive income for the period	<u>23,640</u>	<u>(12,453)</u>	<u>51,212</u>	<u>30,260</u>
Profit/(Loss) for the period attributable to:				
Owners of the Company	14,862	(10,553)	45,231	(3,109)
Non-controlling interests	1,375	1,864	9,954	5,737
	<u>16,237</u>	<u>(8,689)</u>	<u>55,185</u>	<u>2,628</u>
Total comprehensive income attributable to:				
Owners of the Company	22,265	(13,284)	41,042	17,279
Non-controlling interests	1,375	831	10,170	12,981
	<u>23,640</u>	<u>(12,453)</u>	<u>51,212</u>	<u>30,260</u>
Earnings/(Loss) per share attributable to owners of the Company:				
Basic, for profit/(loss) for the period (sen)	<u>11.33</u>	<u>-8.37</u>	<u>34.47</u>	<u>-2.47</u>
Diluted, for profit/(loss) for the period (sen)	<u>11.33</u>	<u>-8.37</u>	<u>34.47</u>	<u>-2.47</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 DECEMBER 2016  
(Financial Year Ended 31 December 2016)

	(Unaudited) 31 December 2016 RM'000	(Audited) 31 December 2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	144,423	149,556
Prepaid lease payments	5,867	6,030
	150,290	155,586
<b>Current assets</b>		
Asset held for sale	0	60,530
Inventories	228,253	257,540
Trade and other receivables	78,291	59,296
Financial assets at fair value through profit or loss	898	1,296
Prepayments	1,298	3,500
Current tax assets	141	1,315
Cash and cash equivalents	151,010	101,315
	459,891	484,792
<b>TOTAL ASSETS</b>	<b>610,181</b>	<b>640,378</b>
 <b>EQUITY AND LIABILITIES</b>		
Share capital	157,430	127,430
Treasury shares	(5,290)	(3,931)
Share premium	28,500	0
Currency translation reserve	28,437	22,075
Retained profits	224,147	205,292
<b>Equity attributable to owners of the Company</b>	433,224	350,866
<b>Non-controlling interests</b>	39,782	107,669
<b>Total equity</b>	473,006	458,535
 <b>Non-current liabilities</b>		
Deferred tax liabilities	5,205	6,137
Loans and borrowings	49	45
	5,254	6,182
 <b>Current Liabilities</b>		
Loans and borrowings	106,164	148,624
Trade and other payables	22,718	25,419
Current tax liabilities	3,039	1,618
	131,921	175,661
<b>TOTAL LIABILITIES</b>	137,175	181,843
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>610,181</b>	<b>640,378</b>
 <b>Net assets per share attributable to owners of the Company (sen)</b>	 280	 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 31 DECEMBER 2016  
(Financial Year Ended 31 December 2016)

	Non-Distributable		Distributable*		Equity attributable to owners of the Company	Non-controlling interests	Total Equity	
	Share Capital	Treasury Shares	Share Premium	Currency Translation Reserves				Retained profits
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
<b>At 1 January 2016</b>	127,430	(3,931)	0	22,075	205,292	350,866	107,669	458,535
Total comprehensive income	0	0	0	(4,189)	45,231	41,042	10,170	51,212
Purchase of own shares	0	(1,359)		0	0	(1,359)	0	(1,359)
Dividends paid:-								
- Owners of the Company	0	0	0	0	(27,928)	(27,928)	0	(27,928)
- Non-controlling interests	0	0	0	0	0	0	(4,900)	(4,900)
Changes in ownership interests in subsidiary	30,000	0	28,500	10,551	1,552	70,603	(73,157)	(2,554)
<b>At 31 December 2016</b>	<u>157,430</u>	<u>(5,290)</u>	<u>28,500</u>	<u>28,437</u>	<u>224,147</u>	<u>433,224</u>	<u>39,782</u>	<u>473,006</u>
<b>At 1 January 2015</b>	127,430	(1,961)	0	1,687	215,976	343,132	96,158	439,290
Total comprehensive income	0	0	0	20,388	(3,109)	17,279	12,981	30,260
Purchase of own shares	0	(1,970)	0	0	0	(1,970)	0	(1,970)
Dividends paid:-								
- Owners of the Company	0	0	0	0	(7,575)	(7,575)	0	(7,575)
- Non-controlling interests	0	0	0	0	0	0	(1,470)	(1,470)
<b>At 31 December 2015</b>	<u>127,430</u>	<u>(3,931)</u>	<u>0</u>	<u>22,075</u>	<u>205,292</u>	<u>350,866</u>	<u>107,669</u>	<u>458,535</u>

TONG HERR RESOURCES BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2016  
(Financial Year Ended 31 December 2016)

	(Unaudited) Year Ended 31-Dec-16 RM'000	(Audited) Year Ended 31-Dec-15 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	66,400	11,721
Adjustments for:-		
Non-cash items	5,640	45,006
Non-operating items	(1,979)	(983)
	70,061	55,744
Changes in working capitals	24,248	(8,029)
	94,309	47,715
Cash generated from operations	94,309	47,715
Net income tax paid	(9,551)	(10,247)
Net cash generated from operating activities	84,758	37,468
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(7,958)	(12,229)
Proceeds from disposal of property, plant and equipments	162	135
Proceeds from disposal of foreign operations	49,656	0
Interest received	3,317	2,943
Net cash generated from/(used in) investing activities	45,177	(9,151)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additional investment in subsidiary	(2,553)	0
Decrease in bank borrowings, net	(39,284)	(40,871)
Repayment of term loans	(6,869)	(5,902)
Repayment of hire purchase and lease creditor	(61)	(29)
Dividends paid to shareholders of the Company	(27,928)	(7,575)
Dividends paid to non-controlling interests	(4,900)	(1,470)
Interest paid	(1,338)	(1,876)
Purchase of own shares	(1,359)	(1,970)
Increase of fixed deposits pledged	2,080	(1,436)
Net cash used in financing activities	(82,212)	(61,129)
Net increase/(decrease) in cash and cash equivalents	47,723	(32,812)
Effect of exchange rate changes	4,052	5,092
Cash and cash equivalents at beginning of financial period	99,235	126,955
Cash and cash equivalents at end of financial period	151,010	99,235

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

	As at 31-Dec-16 RM'000	As at 31-Dec-15 RM'000
Cash and bank balances	151,010	101,315
Less: Fixed deposits pledged with bank	0	(2,080)
	151,010	99,235

(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.)