

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 JUNE 2017  
(Financial Year Ending 31 December 2017)

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	(Unaudited) Quarter Ended 30-Jun-17 RM'000	(Unaudited) Quarter Ended 30-Jun-16 RM'000	(Unaudited) Quarter Ended 30-Jun-17 RM'000	(Unaudited) Quarter Ended 30-Jun-16 RM'000
Revenue	166,133	133,233	322,972	275,669
Cost of Sales	(141,520)	(120,628)	(267,447)	(246,442)
<b>Gross Profit</b>	<u>24,613</u>	<u>12,605</u>	<u>55,525</u>	<u>29,227</u>
Other income	3,288	3,455	7,360	21,416
Distribution costs	(2,816)	(2,703)	(5,654)	(5,050)
Administrative and general expenses	(7,741)	(597)	(12,006)	(10,465)
Finance costs	(433)	(319)	(709)	(608)
<b>Profit Before Tax</b>	<u>16,911</u>	<u>12,441</u>	<u>44,516</u>	<u>34,520</u>
Tax expenses	(4,070)	(1,686)	(9,425)	(4,798)
<b>Profit For The Period</b>	<u>12,841</u>	<u>10,755</u>	<u>35,091</u>	<u>29,722</u>
Other comprehensive income				
Currency translation differences for foreign operations	(2,865)	4,615	1,413	(5,188)
Reclassification adjustment upon disposal of foreign operations	0	0	0	(11,780)
	(2,865)	4,615	1,413	(16,968)
Total comprehensive income for the period	<u>9,976</u>	<u>15,370</u>	<u>36,504</u>	<u>12,754</u>
Profit for the period attributable to:				
Owners of the Company	11,219	7,796	30,675	24,280
Non-controlling interests	1,622	2,959	4,416	5,442
	<u>12,841</u>	<u>10,755</u>	<u>35,091</u>	<u>29,722</u>
Total comprehensive income attributable to:				
Owners of the Company	8,353	10,104	32,088	9,893
Non-controlling interests	1,623	5,266	4,416	2,861
	<u>9,976</u>	<u>15,370</u>	<u>36,504</u>	<u>12,754</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>7.25</u>	<u>6.25</u>	<u>19.84</u>	<u>19.46</u>
Diluted, for profit for the period (sen)	<u>7.25</u>	<u>6.25</u>	<u>19.84</u>	<u>19.46</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 2016 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 30 JUNE 2017  
(Financial Year Ending 31 December 2017)

	(Unaudited) 30 June 2017 RM'000	(Audited) 31 December 2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	140,822	144,423
Prepaid lease payments	5,786	5,867
	<u>146,608</u>	<u>150,290</u>
<b>Current assets</b>		
Inventories	225,879	228,253
Trade and other receivables	77,915	78,291
Financial assets at fair value through profit or loss	0	898
Prepayments	1,389	1,298
Current tax assets	64	141
Cash and cash equivalents	153,202	151,010
	<u>458,449</u>	<u>459,891</u>
<b>TOTAL ASSETS</b>	<u>605,057</u>	<u>610,181</u>
 <b>EQUITY AND LIABILITIES</b>		
Share capital	157,430	157,430
Treasury shares	(5,290)	(5,290)
Share premium	28,500	28,500
Currency translation reserve	29,850	28,437
Retained profits	223,894	224,147
<b>Equity attributable to owners of the Company</b>	<u>434,384</u>	<u>433,224</u>
<b>Non-controlling interests</b>	<u>40,768</u>	<u>39,782</u>
<b>Total equity</b>	<u>475,152</u>	<u>473,006</u>
 <b>Non-current liabilities</b>		
Deferred tax liabilities	5,115	5,205
Loans and borrowings	27	49
	<u>5,142</u>	<u>5,254</u>
 <b>Current Liabilities</b>		
Loans and borrowings	90,749	106,164
Trade and other payables	22,942	22,718
Financial liabilities at fair value through profit or loss	2,683	0
Current tax liabilities	8,389	3,039
	<u>124,763</u>	<u>131,921</u>
<b>TOTAL LIABILITIES</b>	<u>129,905</u>	<u>137,175</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>605,057</u>	<u>610,181</u>
 <b>Net assets per share attributable to owners of the Company (sen)</b>		
	<u>281</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 2016 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 2017  
(Financial Year Ending 31 December 2017)

	Non-Distributable		Distributable*		Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total Equity (RM'000)	
	Share Capital (RM'000)	Treasury Shares (RM'000)	Shares Premium (RM'000)	Currency Translation Reserves (RM'000)				Retained profits (RM'000)
<b>At 1 January 2017</b>	157,430	(5,290)	28,500	28,437	224,147	433,224	39,782	473,006
Total comprehensive income	0	0	0	1,413	30,675	32,088	4,416	36,504
Purchase of own shares	0	0	0	0	0	0	0	0
Dividends paid:-								
- Owners of the Company	0	0	0	0	(30,928)	(30,928)	0	(30,928)
- Non-controlling interests	0	0	0	0	0	0	(3,430)	(3,430)
<b>At 30 June 2017</b>	<u>157,430</u>	<u>(5,290)</u>	<u>28,500</u>	<u>29,850</u>	<u>223,894</u>	<u>434,384</u>	<u>40,768</u>	<u>475,152</u>
<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	(14,387)	24,280	9,893	2,861	12,754
Purchase of own shares	0	(1,359)	0	0	0	(1,359)	0	(1,359)
Dividends paid:-								
- Owners of the Company	0	0	0	0	(12,464)	(12,464)	0	(12,464)
- Non-controlling interests	0	0	0	0	0	0	0	0
<b>At 30 June 2016</b>	<u>127,430</u>	<u>(5,290)</u>	<u>0</u>	<u>7,688</u>	<u>217,108</u>	<u>346,936</u>	<u>110,530</u>	<u>457,466</u>

(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 2017**  
(Financial Year Ending 31 December 2017)

	(Unaudited) Year Ended 30-Jun-17 RM'000	(Unaudited) Year Ended 30-Jun-16 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	44,516	34,520
Adjustments for:-		
Non-cash items	9,757	(9,711)
Non-operating items	(1,173)	(984)
	<u>53,100</u>	<u>23,825</u>
Changes in working capitals	4,802	49,824
	<u>57,902</u>	<u>73,649</u>
Cash generated from operations	57,902	73,649
Net income tax paid	(4,088)	(4,315)
	<u>53,814</u>	<u>69,334</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(3,935)	(5,831)
Proceeds from disposal of property, plant and equipments	74	65
Proceeds from disposal of foreign operations	0	49,656
Interest received	1,882	1,592
Net cash (used in)/generated from investing activities	<u>(1,979)</u>	<u>45,482</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in bank borrowings, net	(15,376)	(52,600)
Repayment of term loans	0	(4,282)
Repayment of hire purchase and lease creditor	(61)	(9)
Dividends paid to shareholders of the Company	(30,928)	(12,464)
Dividends paid to non-controlling interests	(3,430)	0
Interest paid	(709)	(608)
Purchase of own shares	0	(1,359)
Increase of fixed deposits pledged	0	(55)
Net Cash used in financing activities	<u>(50,504)</u>	<u>(71,377)</u>
Net increase in cash and cash equivalents	1,331	43,439
Effect of exchange rate changes	861	(1,985)
Cash and cash equivalents at beginning of financial period	151,010	99,235
Cash and cash equivalents at end of financial period	<u><u>153,202</u></u>	<u><u>140,689</u></u>

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

	As at 30-Jun-17 RM'000	As at 30-Jun-16 RM'000
Cash and bank balances	153,202	142,824
Less: Fixed deposits pledged with bank	0	(2,135)
	<u><u>153,202</u></u>	<u><u>140,689</u></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 2016 and the accompanying explanatory notes attached to the interim financial statements.)