

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 SEPTEMBER 2017

(Financial Year Ending 31 December 2017)

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	(Unaudited) Quarter Ended 30-Sep-17 RM'000	(Unaudited) Quarter Ended 30-Sep-16 RM'000	(Unaudited) Quarter Ended 30-Sep-17 RM'000	(Unaudited) Quarter Ended 30-Sep-16 RM'000
Revenue	185,521	143,466	508,493	419,135
Cost of Sales	(158,231)	(127,503)	(425,678)	(373,945)
<b>Gross Profit</b>	<u>27,290</u>	<u>15,963</u>	<u>82,815</u>	<u>45,190</u>
Other income	3,800	2,765	11,160	24,181
Distribution costs	(2,963)	(2,761)	(8,617)	(7,811)
Administrative and general expenses	(4,939)	(3,277)	(16,945)	(13,742)
Finance costs	(447)	(334)	(1,156)	(942)
<b>Profit Before Tax</b>	<u>22,741</u>	<u>12,356</u>	<u>67,257</u>	<u>46,876</u>
Tax expenses	(4,513)	(3,130)	(13,938)	(7,928)
<b>Profit For The Period</b>	<u>18,228</u>	<u>9,226</u>	<u>53,319</u>	<u>38,948</u>
Other comprehensive income				
Currency translation differences for foreign operations	209	5,592	1,622	404
Reclassification adjustment upon disposal of foreign operations	0	0	0	(11,780)
	209	5,592	1,622	(11,376)
Total comprehensive income for the period	<u>18,437</u>	<u>14,818</u>	<u>54,941</u>	<u>27,572</u>
Profit for the period attributable to:				
Owners of the Company	15,988	6,089	46,663	30,369
Non-controlling interests	2,240	3,137	6,656	8,579
	<u>18,228</u>	<u>9,226</u>	<u>53,319</u>	<u>38,948</u>
Total comprehensive income attributable to:				
Owners of the Company	16,197	8,884	48,285	18,777
Non-controlling interests	2,240	5,934	6,656	8,795
	<u>18,437</u>	<u>14,818</u>	<u>54,941</u>	<u>27,572</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>10.34</u>	<u>4.88</u>	<u>30.18</u>	<u>24.35</u>
Diluted, for profit for the period (sen)	<u>10.34</u>	<u>4.88</u>	<u>30.18</u>	<u>24.35</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)  
(Incorporated in Malaysia)  
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017  
(Financial Year Ending 31 December 2017)

	(Unaudited) 30 September 2017 RM'000	(Audited) 31 December 2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	137,593	144,423
Prepaid lease payments	5,745	5,867
	<u>143,338</u>	<u>150,290</u>
<b>Current assets</b>		
Inventories	290,255	228,253
Trade and other receivables	82,295	78,291
Financial assets at fair value through profit or loss	0	898
Prepayments	10,872	1,298
Current tax assets	64	141
Cash and cash equivalents	142,439	151,010
	<u>525,925</u>	<u>459,891</u>
<b>TOTAL ASSETS</b>	<u>669,263</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	30,059	28,437
Retained profits	239,882	224,147
<b>Equity attributable to owners of the Company</b>	<u>450,581</u>	<u>433,224</u>
<b>Non-controlling interests</b>	<u>42,908</u>	<u>39,782</u>
<b>Total equity</b>	<u>493,489</u>	<u>473,006</u>
 <b>Non-current liabilities</b>		
Deferred tax liabilities	5,155	5,205
Loans and borrowings	19	49
	<u>5,174</u>	<u>5,254</u>
 <b>Current Liabilities</b>		
Loans and borrowings	136,704	106,164
Trade and other payables	23,002	22,718
Financial liabilities at fair value through profit or loss	1,862	0
Current tax liabilities	9,032	3,039
	<u>170,600</u>	<u>131,921</u>
<b>TOTAL LIABILITIES</b>	<u>175,774</u>	<u>137,175</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>669,263</u>	<u>610,181</u>
 <b>Net assets per share attributable to owners of the Company (sen)</b>		
	<u>291</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 SEPTEMBER 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	1,622	46,663	48,285	6,656	54,941
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	(3,530)	(3,530)
<b>At 30 September 2017</b>	<u>157,430</u>	<u>(5,290)</u>	<u>28,500</u>	<u>30,059</u>	<u>239,882</u>	<u>450,581</u>	<u>42,908</u>	<u>493,489</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	(11,592)	30,369	18,777	8,795	27,572
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 September 2016</b>	<u>127,430</u>	<u>(5,290)</u>	<u>0</u>	<u>10,483</u>	<u>223,197</u>	<u>355,820</u>	<u>116,464</u>	<u>472,284</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 2016 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 2017**  
(Financial Year Ending 31 December 2017)

	(Unaudited) Year Ended 30-Sep-17 RM'000	(Unaudited) Year Ended 30-Sep-16 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	67,257	46,876
Adjustments for:-		
Non-cash items	13,492	213
Non-operating items	(1,607)	(1,559)
	79,142	45,530
Changes in working capitals	(74,555)	41,861
Cash generated from operations	4,587	87,391
Net income tax paid	(7,919)	(6,325)
Net cash (used in)/generated from operating activities	(3,332)	81,066
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(4,714)	(7,166)
Proceeds from disposal of property, plant and equipments	74	151
Proceeds from disposal of foreign operations	0	49,656
Interest received	2,763	2,501
Net cash (used in)/generated from investing activities	(1,877)	45,142
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in bank borrowings, net	31,972	(41,582)
Repayment of term loans	0	(5,513)
Repayment of hire purchase and lease creditor	(61)	(43)
Dividends paid to shareholders of the Company	(30,928)	(12,464)
Dividends paid to non-controlling interests	(3,530)	(1,470)
Interest paid	(1,156)	(942)
Purchase of own shares	0	(1,359)
Increase of fixed deposits pledged	0	(55)
Net Cash used in financing activities	(3,703)	(63,428)
Net (decrease)/increase in cash and cash equivalents	(8,912)	62,780
Effect of exchange rate changes	341	530
Cash and cash equivalents at beginning of financial period	151,010	99,235
Cash and cash equivalents at end of financial period	142,439	162,545

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

	As at 30-Sep-17 RM'000	As at 30-Sep-16 RM'000
Cash and bank balances	142,439	164,680
Less: Fixed deposits pledged with bank	0	(2,135)
	142,439	162,545

(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.)