

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

INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the Financial Year Ended 31 December 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 31-Dec-17 RM'000	(Unaudited) Quarter Ended 31-Dec-16 RM'000	(Unaudited) Quarter Ended 31-Dec-17 RM'000	(Audited) Quarter Ended 31-Dec-16 RM'000
Revenue	185,610	154,291	694,103	573,426
Cost of Sales	(165,017)	(129,613)	(590,695)	(503,558)
<b>Gross Profit</b>	<u>20,593</u>	<u>24,678</u>	<u>103,408</u>	<u>69,868</u>
Other income	3,003	2,633	14,163	26,775
Distribution costs	(4,086)	(4,036)	(12,703)	(11,877)
Administrative and general expenses	(3,792)	(3,355)	(20,737)	(17,028)
Finance costs	(660)	(396)	(1,816)	(1,338)
<b>Profit Before Tax</b>	<u>15,058</u>	<u>19,524</u>	<u>82,315</u>	<u>66,400</u>
Tax expenses	(2,235)	(3,287)	(16,173)	(11,215)
<b>Profit For The Period</b>	<u>12,823</u>	<u>16,237</u>	<u>66,142</u>	<u>55,185</u>
Other comprehensive income				
Currency translation differences for foreign operations	(3,379)	7,403	(1,757)	7,807
Reclassification adjustment upon disposal of foreign operations	0	0	0	(11,780)
	(3,379)	7,403	(1,757)	(3,973)
Total comprehensive income for the period	<u>9,444</u>	<u>23,640</u>	<u>64,385</u>	<u>51,212</u>
Profit for the period attributable to:				
Owners of the Company	10,751	14,862	57,414	45,231
Non-controlling interests	2,072	1,375	8,728	9,954
	<u>12,823</u>	<u>16,237</u>	<u>66,142</u>	<u>55,185</u>
Total comprehensive income attributable to:				
Owners of the Company	7,372	22,265	55,657	41,043
Non-controlling interests	2,072	1,375	8,728	10,169
	<u>9,444</u>	<u>23,640</u>	<u>64,385</u>	<u>51,212</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>6.95</u>	<u>11.33</u>	<u>37.13</u>	<u>34.47</u>
Diluted, for profit for the period (sen)	<u>6.95</u>	<u>11.33</u>	<u>37.13</u>	<u>34.47</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 2016 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	(Unaudited) 31 December 2017 RM'000	(Audited) 31 December 2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	133,146	144,423
Prepaid lease payments	5,704	5,867
Other investment	8,299	0
	<u>147,149</u>	<u>150,290</u>
<b>Current assets</b>		
Inventories	289,655	228,253
Trade and other receivables	81,277	78,291
Financial assets at fair value through profit or loss	32	898
Prepayments	1,622	1,298
Current tax assets	43	141
Cash and cash equivalents	92,194	151,010
	<u>464,823</u>	<u>459,891</u>
<b>TOTAL ASSETS</b>	<u>611,972</u>	<u>610,181</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	185,930	157,430
Treasury shares	(5,290)	(5,290)
Share premium	0	28,500
Currency translation reserve	26,681	28,438
Retained profits	222,798	224,147
<b>Equity attributable to owners of the Company</b>	<u>430,119</u>	<u>433,225</u>
<b>Non-controlling interests</b>	<u>43,509</u>	<u>39,781</u>
<b>Total equity</b>	<u>473,628</u>	<u>473,006</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	5,504	5,205
Loans and borrowings	11	49
	<u>5,515</u>	<u>5,254</u>
<b>Current Liabilities</b>		
Loans and borrowings	96,585	106,164
Trade and other payables	32,779	22,718
Financial liabilities at fair value through profit or loss	216	0
Current tax liabilities	3,249	3,039
	<u>132,829</u>	<u>131,921</u>
<b>TOTAL LIABILITIES</b>	<u>138,344</u>	<u>137,175</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>611,972</u>	<u>610,181</u>
<b>Net assets per share attributable to owners of the Company (sen)</b>	<u>278</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 Financial Year Ended 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	28,438	224,147	433,225	39,781	473,006
Transfer of share premium	28,500	0	(28,500)	0	0	0	0	0
Total comprehensive income	0	0	0	(1,757)	57,414	55,657	8,728	64,385
Purchase of own shares	0	0	0	0	0	0	0	0
Dividends paid:-								
- Owners of the Company	0	0	0	0	(58,763)	(58,763)	0	(58,763)
- Non-controlling interests	0	0	0	0	0	0	(5,000)	(5,000)
<b>At 31 December 2017</b>	<u>185,930</u>	<u>(5,290)</u>	<u>0</u>	<u>26,681</u>	<u>222,798</u>	<u>430,119</u>	<u>43,509</u>	<u>473,628</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	(4,188)	45,231	41,043	10,169	51,212
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	(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>28,438</u>	<u>224,147</u>	<u>433,225</u>	<u>39,781</u>	<u>473,006</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 FINANCIAL YEAR ENDED 31 DECEMBER 2017

	(Unaudited) Year Ended 31-Dec-17 RM'000	(Audited) Year Ended 31-Dec-16 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	82,315	66,400
Adjustments for:-		
Non-cash items	14,738	4,997
Non-operating items	(1,742)	(2,013)
	95,311	69,384
Changes in working capitals	(67,536)	24,893
	27,775	94,277
Cash generated from operations	27,775	94,277
Net income tax paid	(15,565)	(9,552)
	12,210	84,725
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(5,925)	(7,958)
Proceeds from disposal of property, plant and equipments	114	162
Proceeds from disposal of foreign operations	12,652	49,656
Interest received	3,558	3,351
Acquisition of other investment	(8,299)	0
Net cash (used in)/generated from investing activities	2,100	45,211
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additional investment in subsidiary	0	(2,554)
Decrease in bank borrowings, net	(7,708)	(39,287)
Repayment of term loans	0	(6,868)
Repayment of hire purchase and lease creditor	(68)	(55)
Dividends paid to shareholders of the Company	(58,763)	(27,928)
Dividends paid to non-controlling interests	(3,530)	(4,900)
Interest paid	(1,795)	(1,342)
Purchase of own shares	0	(1,359)
Increase of fixed deposits pledged	0	2,080
Net Cash used in financing activities	(71,864)	(82,213)
	(57,554)	47,723
Net (decrease)/increase in cash and cash equivalents	(57,554)	47,723
Effect of exchange rate changes	(1,262)	4,052
Cash and cash equivalents at beginning of financial period	151,010	99,235
Cash and cash equivalents at end of financial period	92,194	151,010

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

	As at 31-Dec-17 RM'000	As at 31-Dec-16 RM'000
Cash and bank balances	92,194	151,010
Less: Fixed deposits pledged with bank	0	0
	92,194	151,010

(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.)