

TONG HERR RESOURCES BERHAD
(Company No.432139-W)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Quarter Ended 31-Dec-18 RM'000	(Unaudited) Quarter Ended 31-Dec-17 RM'000	(Unaudited) Quarter Ended 31-Dec-18 RM'000	(Audited) Quarter Ended 31-Dec-17 RM'000
Revenue	186,622	185,610	798,435	694,103
Cost of Sales	<u>(172,564)</u>	<u>(165,017)</u>	<u>(697,117)</u>	<u>(590,695)</u>
Gross Profit	14,058	20,593	101,318	103,408
Other income	2,731	3,003	10,694	14,163
Distribution costs	(4,156)	(4,086)	(13,632)	(12,703)
Administrative and general expenses	(4,407)	(3,792)	(14,890)	(20,737)
Finance costs	<u>(880)</u>	<u>(660)</u>	<u>(2,770)</u>	<u>(1,816)</u>
Profit Before Tax	7,346	15,058	80,720	82,315
Tax expenses	(1,752)	(2,235)	(14,754)	(16,173)
Profit For The Period	<u>5,594</u>	<u>12,823</u>	<u>65,966</u>	<u>66,142</u>
Other comprehensive income				
Currency translation differences for foreign operations	(1,585)	(3,379)	4,307	(1,757)
Total comprehensive income for the period	<u>4,009</u>	<u>9,444</u>	<u>70,273</u>	<u>64,385</u>
Profit for the period attributable to:				
Owners of the Company	5,169	10,751	60,948	57,414
Non-controlling interests	<u>425</u>	<u>2,072</u>	<u>5,018</u>	<u>8,728</u>
	<u>5,594</u>	<u>12,823</u>	<u>65,966</u>	<u>66,142</u>
Total comprehensive income attributable to:				
Owners of the Company	3,584	7,372	65,255	55,657
Non-controlling interests	<u>425</u>	<u>2,072</u>	<u>5,018</u>	<u>8,728</u>
	<u>4,009</u>	<u>9,444</u>	<u>70,273</u>	<u>64,385</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	<u>3.35</u>	<u>6.95</u>	<u>39.45</u>	<u>37.13</u>
Diluted, for profit for the period (sen)	<u>3.35</u>	<u>6.95</u>	<u>39.45</u>	<u>37.13</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD
(Company No.432139-W)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	(Unaudited) 31 December 2018 RM'000	(Audited) 31 December 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	136,189	133,146
Prepaid lease payments	5,541	5,704
Other investment	<u>7,579</u>	<u>8,299</u>
	<u>149,309</u>	<u>147,149</u>
Current assets		
Inventories	314,636	289,388
Trade and other receivables	82,802	81,280
Financial assets at fair value through profit or loss	379	32
Prepayments	1,477	1,622
Current tax assets	88	43
Cash and cash equivalents	<u>118,166</u>	<u>92,194</u>
	<u>517,548</u>	<u>464,559</u>
TOTAL ASSETS	<u>666,857</u>	<u>611,708</u>
 EQUITY AND LIABILITIES		
Share capital	185,930	185,930
Treasury shares	(5,881)	(5,290)
Legal reserve	4,465	3,292
Currency translation reserve	30,988	26,681
Retained profits	<u>239,123</u>	<u>219,506</u>
Equity attributable to owners of the Company	<u>454,625</u>	<u>430,119</u>
Non-controlling interests	<u>43,627</u>	<u>43,509</u>
Total equity	<u>498,252</u>	<u>473,628</u>
 Non-current liabilities		
Deferred tax liabilities	4,596	5,504
Loans and borrowings	<u>6,597</u>	<u>11</u>
	<u>11,193</u>	<u>5,515</u>
 Current Liabilities		
Loans and borrowings	121,829	96,585
Trade and other payables	30,314	32,515
Financial liabilities at fair value through profit or loss	25	216
Current tax liabilities	<u>5,244</u>	<u>3,249</u>
	<u>157,412</u>	<u>132,565</u>
TOTAL LIABILITIES	<u>168,605</u>	<u>138,080</u>
TOTAL EQUITY AND LIABILITIES	<u>666,857</u>	<u>611,708</u>
 Net assets per share attributable to owners of the Company (sen)		
	<u>294</u>	<u>278</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD
(Company No.432139-W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Non-Distributable				Distributable*		Equity attributable to owners of the Company	Non-controlling interests	Total Equity
	Share Capital	Treasury Shares	Shares Premium	Legal Reserve	Currency Translation Reserves	Retained profits			
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2018	185,930	(5,290)	0	3,292	26,681	219,506	430,119	43,509	473,628
Total comprehensive income	0	0	0	0	4,307	60,948	65,255	5,018	70,273
Purchase of own shares	0	(591)	0	0	0	0	(591)	0	(591)
Dividends paid:-									
- Owners of the Company	0	0	0	0	0	(40,158)	(40,158)	0	(40,158)
- Non-controlling interests	0	0	0	0	0	0	0	(4,900)	(4,900)
Transfer to legal reserve	0	0	0	1,173	0	(1,173)	0	0	0
At 31 December 2018	185,930	(5,881)	0	4,465	30,988	239,123	454,625	43,627	498,252
At 1 January 2017	157,430	(5,290)	28,500	0	28,438	224,147	433,225	39,781	473,006
Transfer of share premium	28,500	0	(28,500)	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	(1,757)	57,414	55,657	8,728	64,385
Dividends paid:-									
- Owners of the Company	0	0	0	0	0	(58,763)	(58,763)	0	(58,763)
- Non-controlling interests	0	0	0	0	0	0	0	(5,000)	(5,000)
Transfer to legal reserve	0	0	0	3,292	0	(3,292)	0	0	0
At 31 December 2017	185,930	(5,290)	0	3,292	26,681	219,506	430,119	43,509	473,628

(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 2017 and the accompanying explanatory notes attached to the interim financial statements)

TONG HERR RESOURCES BERHAD
(Company No.432139-W)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	(Unaudited) Quarter Ended 31-Dec-18 RM'000	(Audited) Quarter Ended 31-Dec-17 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	80,720	82,315
Adjustments for:-		
Non-cash items	22,049	13,943
Non-operating items	(254)	(1,742)
	102,515	94,516
Changes in working capitals	(34,107)	(66,742)
	68,408	27,774
Cash generated from operations	68,408	27,774
Net income tax paid	(13,712)	(15,566)
	54,696	12,208
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(17,175)	(5,925)
Proceeds from disposal of property, plant and equipments	55	114
Proceeds from disposal of investment in associate	0	12,652
Interest received	3,024	3,558
Purchase of available-for-sale financial assets	0	(8,299)
	(14,096)	2,100
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in bank borrowings, net	25,834	(7,708)
Drawdown of term loans	7,311	0
Repayment of hire purchase obligations	(38)	(67)
Dividends paid to shareholders of the Company	(40,158)	(58,763)
Dividends paid to non-controlling interests	(6,370)	(3,530)
Interest paid	(2,751)	(1,796)
Purchase of own shares	(591)	0
	(16,763)	(71,864)
Net increase/(decrease) in cash and cash equivalents	23,837	(57,556)
Effect of exchange rate changes	2,106	(1,260)
Cash and cash equivalents at beginning of financial period	92,194	151,010
	118,137	92,194

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

	As at 31-Dec-18 RM'000	As at 31-Dec-17 RM'000
Cash and bank balances	118,166	92,194
Less: Bank overdraft	(29)	0
	118,137	92,194

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)