

TONG HERR RESOURCES BERHAD
Registration no. 199701016642 (432139-W)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|---|
| | (Unaudited) Quarter Ended 31-Dec-19 RM'000 | (Unaudited) Quarter Ended 31-Dec-18 RM'000 | (Unaudited) Quarter Ended 31-Dec-19 RM'000 | (Audited) Quarter Ended 31-Dec-18 RM'000 |
| Revenue | 161,971 | 186,622 | 646,725 | 798,435 |
| Cost of Sales | (150,328) | (172,564) | (598,624) | (697,117) |
| Gross Profit | <u>11,643</u> | <u>14,058</u> | <u>48,101</u> | <u>101,318</u> |
| Interest income | 647 | 782 | 2,706 | 2,917 |
| Other income | 2,158 | 1,949 | 8,302 | 7,777 |
| Distribution costs | (4,323) | (4,157) | (13,628) | (13,633) |
| Administrative and general expenses | (3,377) | (3,788) | (14,083) | (14,271) |
| Finance costs | (566) | (880) | (2,447) | (2,770) |
| Impairment gains/(losses) on financial assets | 67 | (468) | 67 | (468) |
| Loss on derecognition of financial assets measured at amortised cost | 0 | (272) | 0 | (272) |
| Profit Before Tax | <u>6,249</u> | <u>7,224</u> | <u>29,018</u> | <u>80,598</u> |
| Tax expenses | (378) | (1,744) | (4,971) | (14,746) |
| Profit For The Period | <u><u>5,871</u></u> | <u><u>5,480</u></u> | <u><u>24,047</u></u> | <u><u>65,852</u></u> |
| Other comprehensive income | | | | |
| Currency translation differences for foreign operations | (279) | (1,585) | 15,861 | 4,307 |
| Total comprehensive income for the period | <u><u>5,592</u></u> | <u><u>3,895</u></u> | <u><u>39,908</u></u> | <u><u>70,159</u></u> |
| Profit for the period attributable to: | | | | |
| Owners of the Company | 4,186 | 5,100 | 19,765 | 60,879 |
| Non-controlling interests | 1,685 | 380 | 4,282 | 4,973 |
| | <u><u>5,871</u></u> | <u><u>5,480</u></u> | <u><u>24,047</u></u> | <u><u>65,852</u></u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 3,907 | 3,515 | 35,626 | 65,186 |
| Non-controlling interests | 1,685 | 380 | 4,282 | 4,973 |
| | <u><u>5,592</u></u> | <u><u>3,895</u></u> | <u><u>39,908</u></u> | <u><u>70,159</u></u> |
| Earnings per share attributable to owners of the Company: | | | | |
| Basic, for profit for the period (sen) | <u><u>2.71</u></u> | <u><u>3.30</u></u> | <u><u>12.81</u></u> | <u><u>39.41</u></u> |
| Diluted, for profit for the period (sen) | <u><u>2.71</u></u> | <u><u>3.30</u></u> | <u><u>12.81</u></u> | <u><u>39.41</u></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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD
Registration no. 199701016642 (432139-W)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

| | (Unaudited) 31 December 2019 RM'000 | (Audited) 31 December 2018 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 162,717 | 136,189 |
| Prepaid lease payments | 0 | 5,541 |
| Right-of-use assets | 13,959 | 0 |
| Other investment | 7,300 | 7,579 |
| Deferred tax assets | 246 | 0 |
| | 184,222 | 149,309 |
| Current assets | | |
| Inventories | 275,065 | 314,636 |
| Trade and other receivables | 64,698 | 82,678 |
| Derivatives | 156 | 379 |
| Prepayments | 1,952 | 1,477 |
| Current tax assets | 2,168 | 89 |
| Cash and cash equivalents | 137,614 | 118,166 |
| | 481,653 | 517,425 |
| TOTAL ASSETS | 665,875 | 666,734 |
| EQUITY AND LIABILITIES | | |
| Share capital | 185,930 | 185,930 |
| Treasury shares | (8,070) | (5,881) |
| Legal reserve | 5,993 | 4,465 |
| Currency translation reserve | 46,849 | 30,988 |
| Retained profits | 238,757 | 239,054 |
| Equity attributable to owners of the Company | 469,459 | 454,556 |
| Non-controlling interests | 46,539 | 43,582 |
| Total equity | 515,998 | 498,138 |
| Non-current liabilities | | |
| Loans and borrowings | 20,427 | 6,597 |
| Lease liabilities | 542 | 0 |
| Employee benefit obligations | 815 | 0 |
| Deferred tax liabilities | 4,481 | 4,589 |
| | 26,265 | 11,186 |
| Current Liabilities | | |
| Trade and other payables | 30,046 | 30,312 |
| Derivatives | 27 | 25 |
| Loans and borrowings | 92,150 | 121,829 |
| Lease liabilities | 256 | 0 |
| Current tax liabilities | 1,133 | 5,244 |
| | 123,612 | 157,410 |
| TOTAL LIABILITIES | 149,877 | 168,596 |
| TOTAL EQUITY AND LIABILITIES | 665,875 | 666,734 |
| Net assets per share attributable to owners of the Company (sen) | 306 | 294 |

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

TONG HERR RESOURCES BERHAD
Registration no. 199701016642 (432139-W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

| | Share Capital (RM'000) | Treasury Shares (RM'000) | Legal Reserve (RM'000) | Currency Translation Reserves (RM'000) | Distributable* Retained profits (RM'000) | Equity attributable to owners of the Company (RM'000) | Non-controlling interests (RM'000) | Total Equity (RM'000) |
|-----------------------------|------------------------------|--------------------------------|------------------------------|---|--|---|--|-----------------------------|
| At 1 January 2019 | 185,930 | (5,881) | 4,465 | 30,988 | 239,054 | 454,556 | 43,582 | 498,138 |
| Total comprehensive income | 0 | 0 | 0 | 15,861 | 19,765 | 35,626 | 4,282 | 39,908 |
| Purchase of own shares | 0 | (2,189) | 0 | 0 | 0 | (2,189) | 0 | (2,189) |
| Dividends paid:- | | | | | | | | |
| - Owners of the Company | 0 | 0 | 0 | 0 | (18,534) | (18,534) | 0 | (18,534) |
| - Non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | (1,325) | (1,325) |
| Transfer to legal reserve | 0 | 0 | 1,528 | 0 | (1,528) | 0 | 0 | 0 |
| At 31 December 2019 | 185,930 | (8,070) | 5,993 | 46,849 | 238,757 | 469,459 | 46,539 | 515,998 |
| At 1 January 2018 | 185,930 | (5,290) | 3,292 | 26,681 | 219,506 | 430,119 | 43,509 | 473,628 |
| Total comprehensive income | 0 | 0 | 0 | 4,307 | 60,879 | 65,186 | 4,973 | 70,159 |
| Purchase of own shares | 0 | (591) | 0 | 0 | 0 | (591) | 0 | (591) |
| Dividends paid:- | | | | | | | | |
| - Owners of the Company | 0 | 0 | 0 | 0 | (40,158) | (40,158) | 0 | (40,158) |
| - Non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | (4,900) | (4,900) |
| Transfer to legal reserve | 0 | 0 | 1,173 | 0 | (1,173) | 0 | 0 | 0 |
| At 31 December 2018 | 185,930 | (5,881) | 4,465 | 30,988 | 239,054 | 454,556 | 43,582 | 498,138 |

(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 2018 and the accompanying explanatory notes attached to the interim financial statements)

TONG HERR RESOURCES BERHAD
Registration no. 199701016642 (432139-W)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

| | (Unaudited) Quarter Ended 31-Dec-19 RM'000 | (Audited) Quarter Ended 31-Dec-18 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 29,018 | 80,598 |
| Adjustments for:- | | |
| Non-cash items | 13,756 | 22,170 |
| Non-operating items | (245) | (147) |
| | 42,529 | 102,621 |
| Changes in working capitals | 59,845 | (34,105) |
| | 102,374 | 68,516 |
| Cash generated from operations | | |
| Net income tax paid | (11,516) | (13,712) |
| | 90,858 | 54,804 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipments | (43,468) | (17,175) |
| Proceeds from disposal of property, plant and equipments | 2 | 55 |
| Interest received | 2,706 | 2,917 |
| | (40,760) | (14,203) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Decrease)/Increase in bank borrowings, net | (32,361) | 25,834 |
| Drawdown of term loans, net | 18,301 | 7,311 |
| Payment of lease liabilities | (301) | (38) |
| Dividends paid to shareholders of the Company | (18,534) | (40,158) |
| Dividends paid to non-controlling interests | (1,265) | (6,370) |
| Interest paid | (2,630) | (2,751) |
| Purchase of own shares | (2,189) | (591) |
| | (38,979) | (16,763) |
| Net cash used in financing activities | | |
| Net increase in cash and cash equivalents | 11,119 | 23,838 |
| Effect of exchange rate changes | 8,358 | 2,105 |
| Cash and cash equivalents at beginning of financial period | 118,137 | 92,194 |
| | 137,614 | 118,137 |

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

| | As at 31-Dec-19 RM'000 | As at 31-Dec-18 RM'000 |
|--|------------------------------|------------------------------|
| Cash and bank balances | 137,614 | 118,137 |
| Less: Fixed deposits pledged with bank | 0 | 0 |
| | 137,614 | 118,137 |

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)