



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)**

<i>In thousands of RM</i>	<b>Current Quarter</b>		<b>Current Period</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Revenue	233,603	311,101	503,735	584,870
Cost of goods sold	(179,978)	(257,596)	(387,130)	(477,649)
<b>Gross profit</b>	<b>53,625</b>	<b>53,505</b>	<b>116,605</b>	<b>107,221</b>
Other income	452	434	544	1,180
Distribution expenses	(19,894)	(17,453)	(39,605)	(35,217)
Administrative expenses	(24,185)	(24,164)	(43,284)	(41,632)
Other expenses	(1,637)	(3,507)	(9,891)	(8,712)
<b>Results from operating activities</b>	<b>8,361</b>	<b>8,815</b>	<b>24,369</b>	<b>22,840</b>
Share of profit of equity accounted investee, net of tax	358	410	707	1,216
Finance income	764	2,060	1,549	2,857
Finance costs	(6,106)	(7,290)	(12,924)	(14,181)
<b>Profit before tax</b>	<b>3,377</b>	<b>3,995</b>	<b>13,701</b>	<b>12,732</b>
Income tax expense	(1,205)	(424)	(3,127)	(2,809)
<b>Profit for the period</b>	<b>2,172</b>	<b>3,571</b>	<b>10,574</b>	<b>9,923</b>
<b>Other comprehensive income</b>				
Foreign currency translation differences for foreign operations	1,280	978	3,896	5,023
<b>Total comprehensive income for the period</b>	<b>3,452</b>	<b>4,549</b>	<b>14,470</b>	<b>14,946</b>
<b>Profit attributable to :</b>				
Owners of the Company	313	2,122	4,267	5,894
Non-controlling interests	1,859	1,449	6,307	4,029
	<b>2,172</b>	<b>3,571</b>	<b>10,574</b>	<b>9,923</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	1,593	2,874	8,163	10,691
Non-controlling interests	1,859	1,675	6,307	4,255
	<b>3,452</b>	<b>4,549</b>	<b>14,470</b>	<b>14,946</b>
Basic earnings per share (Sen)	0.07	0.46	0.93	1.29
Diluted earnings per share (Sen)	0.07	0.46	0.93	1.29

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Interim Financial Report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015 (UNAUDITED)**

<i>In thousands of RM</i>	As at 30 June 2015	As at 31 December 2014
<b>ASSETS</b>		
Property, plant and equipment	537,142	540,718
Intangible assets	291,853	290,091
Investment properties	34,787	31,140
Prepaid lease payments	1,592	5,357
Investment in associates	15,976	15,269
Other Investments	15,887	15,864
Deferred tax assets	16,082	11,563
<b>Total non-current assets</b>	<b>913,319</b>	<b>910,002</b>
Trade and other receivables	296,693	256,937
Inventories	295,422	245,454
Current tax assets	23,414	18,455
Cash and cash equivalents	424,561	208,212
<b>Total current assets</b>	<b>1,040,090</b>	<b>729,058</b>
<b>TOTAL ASSETS</b>	<b>1,953,409</b>	<b>1,639,060</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	457,630	457,630
Reserves	28,704	22,644
Retained earnings	262,899	269,998
<b>Total equity attributable to equity holders of the Company</b>	<b>749,233</b>	<b>750,272</b>
<b>Non-controlling interests</b>	<b>131,247</b>	<b>130,326</b>
<b>Total equity</b>	<b>880,480</b>	<b>880,598</b>
Loans and borrowings	362,368	100,000
Deferred tax liabilities	22,185	19,288
<b>Total non-current liabilities</b>	<b>384,553</b>	<b>119,288</b>
Provisions	674	-
Trade and other payables	173,235	143,803
Current tax liabilities	1,320	1,368
Loans and borrowings	513,147	494,003
<b>Total current liabilities</b>	<b>688,376</b>	<b>639,174</b>
<b>Total liabilities</b>	<b>1,072,929</b>	<b>758,462</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,953,409</b>	<b>1,639,060</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<b>165</b>	<b>165</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)**

<i>In thousands of RM</i>	←—————Attributable to shareholders of the Company—————→										Non-controlling interest	Total equity
	←—————Non-distributable—————→					Distributable						
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Revaluation reserve	Fair value reserve	Other capital reserve	Treasury shares	Retained earnings	Total		
<b>At 1 January 2015</b>	457,630	39,944	73	(14,542)	-	23	2,982	(5,836)	269,998	750,272	130,326	880,598
Foreign exchange translation differences	-	-	-	3,896	-	-	-	-	-	3,896	-	3,896
Total other comprehensive income for the period	-	-	-	3,896	-	-	-	-	-	3,896	-	3,896
Profit for the year	-	-	-	-	-	-	-	-	4,267	4,267	6,307	10,574
Total comprehensive income for the period	-	-	-	3,896	-	-	-	-	4,267	8,163	6,307	14,470
Disposal of treasury shares	-	-	-	-	-	-	-	2,164	-	2,164	-	2,164
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(11,366)	(11,366)	-	(11,366)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(5,386)	(5,386)
<b>At 30 June 2015</b>	<b>457,630</b>	<b>39,944</b>	<b>73</b>	<b>(10,646)</b>	<b>-</b>	<b>23</b>	<b>2,982</b>	<b>(3,672)</b>	<b>262,899</b>	<b>749,233</b>	<b>131,247</b>	<b>880,480</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2014**

<i>In thousands of RM</i>	Attributable to shareholders of the Company											Non-controlling interest	Total equity
	Non-distributable							Distributable					
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Revaluation reserve	Fair value reserve	Other capital reserve	Treasury shares	Retained earnings	Total			
<b>At 1 January 2014</b>	457,630	39,944	73	(2,746)	2,002	23	2,982	(5,836)	310,510	804,582	122,671	927,253	
Realisation of revaluation reserve	-	-	-	-	(2,002)	-	-	-	2,002	-	-	-	
Foreign exchange translation differences	-	-	-	(11,796)	-	-	-	-	-	(11,796)	142	(11,654)	
Total other comprehensive income for the year	-	-	-	(11,796)	-	-	-	-	-	(11,796)	142	(11,654)	
Profit for the year	-	-	-	-	-	-	-	-	(42,514)	(42,514)	7,091	(35,423)	
Total comprehensive income for the year	-	-	-	(11,796)	-	-	-	-	(42,514)	(54,310)	7,233	(47,077)	
Issue of new shares:													
to non-controlling interests	-	-	-	-	-	-	-	-	-	-	9,780	9,780	
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(9,358)	(9,358)	
<b>At 31 December 2014</b>	457,630	39,944	73	(14,542)	-	23	2,982	(5,836)	269,998	750,272	130,326	880,598	

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)**

<b>In thousands of RM</b>	<b>Six Months Ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	13,701	12,732
Adjustments for:		
Amortisation of prepaid lease payments	194	194
Depreciation of property, plant and equipment	19,644	24,364
Share of profit of equity accounted associates	(707)	(1,216)
Interest income	(1,549)	(2,857)
Finance costs	12,924	14,181
<i>Operating profit before changes in working capital</i>	44,207	47,398
Change in inventories	(49,968)	27,308
Change in receivables, deposits and prepayments	(39,832)	(27,005)
Change in payables and accruals	34,001	27,439
<i>Cash (used in)/generated from operations</i>	(11,592)	75,140
Finance costs paid	(12,924)	(14,181)
Interest income	1,549	2,857
Income tax paid	(9,755)	(5,175)
Net cash (used in) / generated from operating activities	(32,722)	58,641
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(14,489)	(20,331)
Acquisition of intangible asset	(2,206)	(1,792)
Acquisition of other investment	-	(15,763)
Proceeds from disposal of property, plant and equipment	-	74,814
Net cash (used in)/ generated from investing activities	(16,695)	36,928
<b>Cash flows from financing activities</b>		
Net drawdown/(repayment) of loans and borrowings	281,512	(73,452)
Dividends paid to non-controlling interests	(5,386)	(6,714)
Dividends paid to owners of the Company	(11,366)	-
Proceeds from sale of treasury shares	2,164	-
Net cash generated from/ (used in) financing activities	266,924	(80,166)
Exchange difference on translation of the financial statements of foreign operations	(1,158)	1,097
Net increase in cash and cash equivalents	216,349	16,500
Cash and cash equivalents at 1 January	208,212	255,337
Cash and cash equivalents as at end of period	424,561	271,837

The Condensed Cash Flow Statement should be read in conjunction with the Notes to the Interim Financial Report.



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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1) Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*.

**A2) Changes in Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2014.

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014**

The following MFRSs and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2015:

- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

The following MFRSs and Amendments to MFRSs are not applicable to the Group and hence have not been adopted by the Group:

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*



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**A2) Changes in Accounting Policies (continued)**

The following revised MFRSs and Amendments to MFRSs applicable to the Group have been issued by the MASB and are not yet effective for adoption by the Group :

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016**

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017;**

- MFRS 15, *Revenue from Contracts with Customers*

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018;**

- MFRS 9, *Financial Instruments (2014)*

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption.

**A3) Disclosure of audit report qualification**

The auditor's report on the financial statements of the Group and the Company for the year ended 31 December 2014 was not subject to any qualification.



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**A4) Explanatory comments about the seasonality or cyclicity of operations**

The Group's operations were not subjected to any material seasonal or cyclical factor other than market fluctuations in selling prices and costs of raw materials.

**A5) Unusual Items due to their nature, size or incidence**

There was no item affecting assets, liabilities, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and financial period under review.

**A6) Changes in prior estimates of amounts which materially affect the current interim period**

There was no material changes in the prior estimates which would materially affect the current interim period.

**A7) Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review save for repayment of term loan of RM130 million matured on 30 April 2015.

The number of Treasury Shares held as at end of the current period under review was 2,998,000.

**A8) Dividends paid**

The Company paid an interim single tier dividend of RM2.50 sen per ordinary share totalling RM11.37 million in respect of the financial year ended 31 December 2014, on 15 January 2015.

**A9) Segment reporting**

<i>In thousands of RM</i>	<b>Segment Revenue</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Pharmaceuticals	76,675	79,030	163,995	151,903
Chemicals	68,806	71,990	140,474	143,601
Fertilizers	82,778	158,581	189,834	288,160
	<u>228,259</u>	<u>309,601</u>	<u>494,303</u>	<u>583,664</u>
Others* and inter-segment transactions	<u>5,344</u>	<u>1,500</u>	<u>9,432</u>	<u>1,206</u>
Group result	<u><u>233,603</u></u>	<u><u>311,101</u></u>	<u><u>503,735</u></u>	<u><u>584,870</u></u>

\* *Administrative and non-core activities*





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**A9) Segment reporting (continued)**

<i>In thousands of RM</i>	<b>Segment Profit/(Loss) Before Tax</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Pharmaceuticals	7,275	6,960	18,363	14,884
Chemicals	6,872	3,577	13,273	8,425
Fertilizers	(2,601)	(2,809)	(6,765)	(4,529)
	<u>11,546</u>	<u>7,728</u>	<u>24,871</u>	<u>18,780</u>
Others* and inter-segment transactions	(8,169)	(3,733)	(11,170)	(6,048)
Group result	<u><u>3,377</u></u>	<u><u>3,995</u></u>	<u><u>13,701</u></u>	<u><u>12,732</u></u>

\* *Administrative and non-core activities*

**A10) Property, plant and equipment**

The Group adopts the cost model for its property, land and building.

**A11) Post balance sheet event**

Subsequent to financial period ended 30 June 2015, the Company's subsidiary, CCM Duopharma Biotech Berhad, had issued 139,479,500 new ordinary shares of RM0.50 each pursuant to a Right Issue exercise. The new ordinary shares were listed on the Main Market of Bursa Malaysia on 22 July 2015. The event is not expected to have any material impact to the Group.

There are no other material events after the period end that has not been reflected in the Interim Financial Reports for the current financial period under review.

**A12) Effect of changes in the composition of the Group**

On 30 June 2015, the Company completed the disposals of entire equity interest, owned directly or indirectly, in its subsidiaries namely, CCM Pharmaceuticals Sdn Bhd, Innovax Sdn Bhd, CCM Pharma Sdn Bhd, Upha Pharmaceutical Manufacturing (M) Sdn Bhd, CCM Pharmaceuticals (S) Pte Ltd and CCM International (Philippines) Inc to its other subsidiaries namely CCM Duopharma Biotech Berhad (CCMD) and Duopharma Manufacturing Sdn Bhd. The transfer of shares created one flagship holding company, CCMD, for the Pharmaceutical Division; and is not expected to have any material financial impact to the Group.

There were no other changes in the composition of the Group for the period under review.



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**A13) Changes in contingent liabilities or contingent assets since the last annual balance sheet date**

During financial year 2014, PT CCM Indonesia (“PTCCMI”), a subsidiary of the Company appealed against tax auditor’s assessment with respect to year of assessment 2011. The contingent liability involved in the tax appeal amounted to IDR36,100,000,000 (equivalent to approximately RM9.7 million). The hearing of the appeals was concluded on 29th July 2015 and the matter is now pending decision from the Indonesian Tax Court.

There were no other changes in contingent liabilities or assets as at end of the current interim financial period.

**A14) Capital Commitments**

Commitments for the purchase of property, plant and equipment as at 30 June 2015.

	At 30 June 2015 RM'000	At 31 December 2014 RM'000
Approved but not contracted for	38,612	28,543
Contracted but not provided for	46,941	31,498
	<u>85,553</u>	<u>60,041</u>



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**Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1) Review of Performance**

Commentary for Individual Quarter ended 30 June 2015

For the current quarter ended 30 June 2015, the Group recorded revenue of RM233.6 million, lower by 24.9% compared to the corresponding quarter last year. The Group's profit before tax for the current quarter under review decreased by 15.5% to RM3.4 million from RM4.0 million recorded in the same quarter last year.

Pharmaceuticals Division's revenue for the quarter was RM76.7 million, declined by 3% compared to the same quarter last year attributed to pre loading of stocks by customers into the first quarter due to the implementation of GST on 1<sup>st</sup> April 2015, thus resulting to lower demand in the current quarter. The Division recorded profit before tax of RM7.3 million, an increase of 4.5% as compared to the corresponding quarter last year. The increase was mainly due to improved margin on its ethical segment.

Chemicals Division recorded revenue of RM68.8 million during the quarter under review. This was 4.4% lower compared to the same quarter last year primarily attributed to lower sales from its regional businesses. The Division recorded a higher profit before tax of RM6.9 million, an increase of 92.1% as compared to the corresponding quarter last year, primarily due to improved market price of its chlor-alkali products, and savings from its operational efficiency initiatives.

Fertilizers Division recorded revenue of RM82.8 million during the quarter under review. This was 47.8% lower compared to the same quarter last year primarily contributed by lower demand for compound fertilizers amidst low crude palm oil and rubber prices; putting pressures on those industries to cut costs and delay procurement of fertilizers. Low revenue resulted in the division to remain in a loss position of RM2.6 million during the quarter under review as compared to a loss before tax of RM2.8 million in the same quarter last year.

Commentary for Cumulative Quarters ended 30 June 2015

For the six months period ended 30 June 2015, the Group recorded revenue of RM503.7 million. This was lower by RM81.1 million or 13.9% as compared to the corresponding period last year. Lower sales were recorded mainly by Fertilizers Division. Despite the lower sales, the Group recorded a profit before tax of RM13.7 million for the period under review equivalent to an increased of 7.6% from RM12.7 million in the same period last year.

Pharmaceuticals Division recorded revenue of RM164.0 million for the period under review, an increase of 8.0% as compared to the same period last year. Profit before tax increased by RM3.5 million (or 23.4%) from RM14.9 million in the same period 2014 to RM18.4 million in the current period. The higher profit recorded in the current period was primarily attributable to higher revenue generated from both its ethical and over-the-counter (OTC) segments and overall improvement in gross margins.



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**B1) Review of Performance (continued)**

Chemicals Division recorded revenue of RM140.5 million during the period under review, representing a decrease of 2.2% as compared to the corresponding period last year. The lower revenue recorded during the period was primarily due to lower sales volume from its regional businesses. Despite the lower revenue, Division's profit before tax improved by 57.5% to RM13.3 million for the period under review, from RM8.4 million in the corresponding period last year. The increase in profit was largely attributable to higher market prices for its chlor-alkali products and savings from its operational efficiency initiatives.

The Fertilizers Division recorded revenue of RM189.8 million during the period under review. This was 34.1% lower compared to the same period last year, contributed by the lower volume of compound and straights fertilisers sold during the period. This was attributed by low crude palm oil and rubber prices during the period, putting pressures on those industries to cut costs and delay procurement of fertilizers. The Division suffered a loss before tax of RM6.8 million from a loss of RM4.5 million in the corresponding period last year. Lower revenue and rising raw material costs, largely due to the appreciation of USD against RM, were the major contributors to the loss position recorded during the period under review.

**B2) Material changes in the Quarterly Results compared to the results of the Preceding Quarter**

The Group's revenue for the current quarter of RM233.6 million was lower by RM36.5 million (or 13.5%) as compared to the immediate preceding quarter revenue of RM270.1 million. This was primarily attributable to the GST implementation which came into effect on 1 April 2015, as customers stocked up in the preceding quarter in anticipation of potential price hike post GST. The Group recorded profit before tax of RM3.4 million during the quarter compared to a profit of RM10.3 million in the preceding quarter.

**B3) Prospects for the current financial year**

The Group will continue to focus on enhancing business profitability by increasing sales growth domestically and regionally, improving production efficiency and cost effectiveness across all of its business divisions.

The demand for pharmaceuticals products is expected to remain relatively stable throughout the financial year. The prospects for the Pharmaceuticals Division remain positive as it consolidates its position in the local and regional markets, continuation of focus in Biotherapeutics, niche therapeutic areas and Halal leadership in the pharmaceuticals space.

For Chemicals Division, the chlor alkali market has shown significant improvement. The polymer coating business however remain competitive including downward pressure on rubber prices. The Division is implementing continuous improvement program to extract operational savings and striving to increase its trading margin for the current financial year, while expanding its customer base within the region.

The demand of fertilizers is expected to remain challenging in view of expectation of lower crude palm oil (CPO) prices and consequently, plantation owners implementing cost savings measures.

Albeit a challenging business environment amidst volatility of currencies and plummeting commodity prices, the Group remains positive for better operating results for the financial year ending 31 December 2015.



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**B4) Variance of Actual Profit from Forecast Profit**

The Group did not make any profit forecast or issue any profit guarantee.

**B5) Taxation**

Taxation charge of the Group for the current quarter and financial period was as follows:

	<b>Current Quarter</b>	<b>Current Period</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2015</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Taxation		
In respect of profit for the year	5,389	4,749
Transfer from deferred tax	(4,184)	(1,622)
	<u>1,205</u>	<u>3,127</u>

**B6) Profit Before Tax**

	<b>Current Quarter</b>	<b>Current Period</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2015</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating profit is arrived at after charging / (crediting):</b>		
Depreciation and amortization	10,468	19,838
Provision for and write-off / (back) of receivables	(1,360)	1,435
Provision for and write-off of inventories	623	2,086
Net foreign exchange loss	(999)	(1,753)
Interest expense	6,106	12,924
Interest income	(764)	(1,549)
	<u>                    </u>	<u>                    </u>

Other than the above, there were no impairment of assets and gain or loss on derivatives for the current quarter and current period under review.



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**B7) Status of corporate proposals**

- a) On 27 November 2014, the Company had entered into a conditional share sale agreement (“**SSA**”) with CCM Duopharma Biotech Berhad (“**CCMD**”) for the following:
- i) proposed disposal of 100% equity interest in CCM Pharmaceuticals Sdn Bhd (“**CCMP**”) and its subsidiaries and settlement of outstanding inter-company advances owed by CCMP and/or its subsidiaries to the Group as at 30 September 2014; and
  - ii) proposed disposal of 100% equity interest in Innovax Sdn Bhd (“**Innovax**”) and settlement of outstanding inter-company advances owed by Innovax to the Group as at 30 September 2014,
- (collectively referred to as “**SSA 1**”).
- b) on 27 November 2014, the Company had entered into a conditional SSA with Duopharma Manufacturing Sdn Bhd (“**DMSB**”) for the following:
- i) proposed disposal of 100% equity interest in CCM Pharma Sdn Bhd (“**CCM Pharma**”) and settlement of outstanding inter-company advances owed by CCM Pharma to the Group (if any) as at 30 September 2014; and
  - ii) proposed disposal of 100% equity interest in Upha Manufacturing Sdn Bhd (“**Upha**”) and settlement of outstanding inter-company advances owed by Upha to the Group as at 30 September 2014,
- (collectively referred to as “**SSA 2**”).
- c) on 27 November 2014, CCM International Sdn Bhd (“**CCM International**”), a wholly owned subsidiary of the Company, had entered into a conditional SSA with CCMD for the proposed disposal of 100% equity interest in CCM Pharmaceuticals (S) Pte Ltd (“**CCM Singapore**”) and settlement of outstanding inter-company advances owed by CCM Singapore to the Group (if any) as at 30 September 2014 (“**SSA 3**”); and
- d) on 27 November 2014, CCM Investments Ltd. (“**CCM Investments**”), a wholly owned subsidiary of the Company, had entered into a conditional SSA with CCMD for the proposed disposal of 99.9% equity interest in CCM International (Philippines) Inc (“**CCM Philippines**”) and the capitalisation of inter-company advances made by CCM Investments or the Company or any subsidiary of the Company to CCM Philippines and for that purpose, issuance of new shares in CCM Philippines to CCM Investments (“**SSA 4**”).

The SSA 1, SSA 2, SSA 3 and SSA 4 are collectively referred to as “**SSAs**”.



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**B7) Status of corporate proposals (continued)**

Further to the above, on 24 December 2014, the Company had entered into the following supplementary agreements:

- (a) the supplementary agreement with CCMD in relation to the SSA 1 to amend the SSA 1 (“**Supplementary Agreement 1**”); and
- (b) the supplementary agreement with DMSB in relation to the SSA 2 to amend the SSA 2 (“**Supplementary Agreement 2**”).

The Supplementary Agreement 1 and Supplementary Agreement 2 are collectively referred to as “**Supplementary Agreements**”.

Pursuant to the Supplementary Agreements, the Company had agreed to grant CCMD and DMSB an additional warranty with respect to the potential liability arising from the disclosure in the respective SSAs in relation to the alleged sales tax issues currently being investigated by the Royal Malaysian Customs Department against CCMP and Upha, respectively. The warranty provided is by way of an indemnity (with no maximum limit of such indemnity) for an aggregate liability in excess of RM100,000 to be paid to CCMP and Upha, respectively, and is valid for six (6) years after the date of completion of the SSAs, with a further provision that the Company may take over conduct of any appeal or proceedings in relation to matter giving rise to the aggregate liability.

The proposals had been approved by shareholders at the Company’s EGM on 10 March 2015 and CCMD’s EGM on 11 March 2015.

On 27 March 2015, the Company announced that vendors and purchasers in the agreements had mutually agreed to extend the Cut-Off Date, being the date by which the conditions precedent must be fulfilled, to 27 June 2015. All the other terms in the SSAs unless varied or amended otherwise therein shall remain unchanged.

On 25 May 2015, CCM Investments and CCMD (“collectively referred to as the “**Parties**”) had entered into a second supplementary letter to the SSA 4 dated 27 November 2014 (“**2<sup>nd</sup> Supplementary Letter**”). Pursuant to the 2<sup>nd</sup> Supplementary Letter, the Parties agree:

- (a) to proceed with the completion of the SSA 4; and
- (b) that the condition in relation to the capitalisation of inter-company advances made by CCM Investments or the Company or any subsidiary of the Company of Philippine Peso Sixty Nine Million Four Hundred Fifty Six Thousand Eight Hundred (PHP69,456,800.00) to CCM Philippines and for that purpose, issuance of 694,568 new shares of CCM Philippines to CCM Investments be performed as a condition subsequent to the completion of the SSA 4. The new shares will not be transferred at completion and CCM Investments undertakes to perform all actions necessary to complete the capitalisation and transfer the issued shares to CCMD.

In this respect, the SSA 4 has turned unconditional on even date i.e. the date of this 2<sup>nd</sup> Supplementary Letter.

On 30 June 2015, the Company announced that the proposed disposals of the entire equity interest of CCMP, Innovax, CCM Pharma, Upha, CCM Singapore and CCM Philippines to CCMD and DMSB have been completed on 30 June 2015 based on the terms of the SSAs.



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**B8) Group Borrowings and Debt Securities**

The Group borrowings as at 30 June 2015 were as follows:

	<b>30-Jun-15</b>	<b>31-Dec-14</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Unsecured		
Ringgit Malaysia denominated	502,776	484,228
United State Dollar denominated	-	9,643
Philippines Peso denominated	10,371	-
Singapore Dollar denominated	-	132
	<u>513,147</u>	<u>494,003</u>
<b>Long term borrowings</b>		
Unsecured		
Ringgit Malaysia denominated	362,368	100,000
	<u>362,368</u>	<u>100,000</u>

**B9) Off Balance Sheet Financial Instruments**

The Group did not have any financial instruments with off balance sheet risks as at the date of this report.

**B10) Earnings per share**

	<b>Current</b>	<b>Current</b>
	<b>Quarter</b>	<b>Period</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2015</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Basic and Diluted Earnings Per Share:-</b>		
Profit after tax and minority shareholders' interests (RM'000)	313	4,267
Issued ordinary shares at beginning of the quarter/year ('000)	<u>457,630</u>	<u>457,630</u>
Weighted average number of ordinary shares ('000) at ending of the quarter/year	<u>457,630</u>	<u>457,630</u>
Basic earnings per share (sen)	<u>0.07</u>	<u>0.93</u>

There is no dilution to the earnings per ordinary share as there are no dilutive potential ordinary shares.




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**B11) Dividend**

The Board of Directors has approved an interim single tier dividend of 2.50 sen per share (2014:2.50 sen per share) based on paid up capital of 457.6 million shares at par value of RM1.00 each amounting to approximately RM11.4 million. The entitlement date in respect of the interim single tier dividend is on 17 September 2015 and the payment date is on 1 October 2015.

**B12) Economic Profit ("EP") Statement**

<u>Net operating profit after tax ("NOPAT")</u> <u>computation:</u> <i>In millions of RM</i>	<b>Current Quarter</b>		<b>Current Period</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Earnings before interest and tax ("EBIT")	8.4	8.8	24.4	22.8
Adjusted tax	<u>(2.1)</u>	<u>(2.2)</u>	<u>(6.1)</u>	<u>(5.7)</u>
<b>NOPAT</b>	<b><u>6.3</u></b>	<b><u>6.6</u></b>	<b><u>18.3</u></b>	<b><u>17.1</u></b>
<b><u>Economic charge computation:</u></b>				
Average invested capital	1,318.0	1,461.1	1,318.0	1,461.1
Weighted average cost of capital ("WACC") (%)	<u>5.12%</u>	<u>5.82%</u>	<u>5.12%</u>	<u>5.82%</u>
<b>Economic charge</b>	<b><u>16.9</u></b>	<b><u>21.3</u></b>	<b><u>33.7</u></b>	<b><u>42.5</u></b>
<b>Economic (loss)/ profit</b>	<b><u>(10.6)</u></b>	<b><u>(14.7)</u></b>	<b><u>(15.4)</u></b>	<b><u>(25.4)</u></b>

The EP statement is as prescribed under the Government-Linked Corporations (GLC) Transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

**B13) Material litigation**

The Company's wholly-owned subsidiary, CCM Agriculture Sdn. Bhd. had commenced legal proceedings against GLE Logistics (M) Sdn. Bhd. ("the Defendant") in the High Court of Malaya at Kuala Lumpur vide Civil Suit No. 22NCVC-335-06/2015 for loss of products placed with the Defendant pursuant to a warehousing arrangement. The Writ of Summons and Statement of Claim have been served on the Defendant by the Plaintiff's solicitors on 14 July 2015. The Court has fixed the matter for case management on 27 August 2015.

Save for the above, there were no other material litigations as at the end of period under review.



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**B14) Disclosure of Realised and Unrealised**

	<b>As at 30 June 2015 RM'000</b>	<b>As at 31 December 2014 RM'000</b>
Total retained profits of CCM Berhad and its subsidiaries:		
- Realised	201,624	210,619
- Unrealised	61,275	59,379
<b>Total</b>	<b>262,899</b>	<b>269,998</b>

**B15) Authorisation for issue**

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 August 2015.

By Order of the Board

NOOR AZWAH SAMSUDIN (LS0006071)  
 Company Secretary  
 27 August 2015