

**CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2015**

	Individual Quarter		Cumulative Period	
	Current Quarter 31/03/2015 RM'000	Comparative Quarter 31/03/2014 RM'000	Current Year-to-date 31/03/2015 RM'000	Comparative Year-to-date 31/03/2014 RM'000
<b>Continuing Operations</b>				
Revenue	117,645	121,039	117,645	121,039
Cost of sales	(87,376)	(93,995)	(87,376)	(93,995)
Gross profit	30,269	27,044	30,269	27,044
Other operating income	3,851	5,003	3,851	5,003
Operating expenses	(8,235)	(8,213)	(8,235)	(8,213)
Profit from operations	25,885	23,834	25,885	23,834
Finance costs	(287)	(71)	(287)	(71)
Share of results of associates	(1,037)	2,060	(1,037)	2,060
Share of result of joint venture	(754)	18	(754)	18
Profit before taxation	23,807	25,841	23,807	25,841
Taxation	(1,161)	(1,964)	(1,161)	(1,964)
Profit after taxation	22,646	23,877	22,646	23,877
<b>Other comprehensive income :-</b>				
Gain/(Loss) on fair value measurement of available-for-sale investments	6	5	6	5
Exchange differences on translation of foreign operations	6,174	9,337	6,174	9,337
<b>Total comprehensive income for the period</b>	<b>28,826</b>	<b>33,219</b>	<b>28,826</b>	<b>33,219</b>
<b>Profit attributable to :-</b>				
Owners of the parent	21,999	23,287	21,999	23,287
Non-controlling interest	647	590	647	590
	22,646	23,877	22,646	23,877
<b>Total comprehensive income attributable to :-</b>				
Owners of the parent	27,441	31,752	27,441	31,752
Non-controlling interest	1,385	1,467	1,385	1,467
	28,826	33,219	28,826	33,219
<b>Earning per share (sen)</b>				
- Basic	4.14	8.78	4.14	8.78
- Diluted	3.56	3.76	3.56	3.76

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)

**CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2015**

	As At 31/03/2015 RM'000	As At 12/31/2014 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	111,232	107,152
Plantation development expenditure	162,462	157,793
Goodwill	16,341	16,341
Investment in associates	87,631	88,305
Investment in joint venture	23,241	23,995
Other assets	2,917	3,242
<b>Total non-current assets</b>	<b>403,824</b>	<b>396,828</b>
<b>Current assets</b>		
Inventories	30,044	34,117
Trade receivables	135,698	79,712
Other receivables	19,433	25,329
Amount due from contract customers	34,089	74,132
Short-term investments	50,227	39,199
Cash and cash equivalents	112,701	192,355
Derivative assets	-	-
<b>Total current assets</b>	<b>382,192</b>	<b>444,844</b>
<b>TOTAL ASSETS</b>	<b>786,016</b>	<b>841,672</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	269,124	269,124
Treasury shares	(21,385)	(21,385)
Reserves	362,408	350,894
	610,147	598,633
<b>Non-controlling interest</b>	31,277	29,767
<b>Total equity</b>	<b>641,424</b>	<b>628,400</b>
<b>Non-current liabilities</b>		
Borrowings	16,466	17,235
Other deferred liabilities	2,200	2,466
<b>Total non-current liabilities</b>	<b>18,666</b>	<b>19,701</b>
<b>Current liabilities</b>		
Trade payables	53,414	78,849
Other payables	27,457	59,478
Amount due to contract customers	40,125	50,045
Borrowings	4,930	5,199
Derivative liabilities	-	-
<b>Total current liabilities</b>	<b>125,926</b>	<b>193,571</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>786,016</b>	<b>841,672</b>
 Net assets per share (RM)	 1.15	 1.13

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)

**CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 MARCH 2015**

	Current Year-to-date 31/03/2015 RM'000	Comparative Year to-date 31/03/2014 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	23,807	25,841
Adjustment for non-cash flow items :-		
Non-cash items	3,428	(639)
Non-operating items	(7,173)	(5,910)
Operating profit before changes in working capital	<u>20,062</u>	<u>19,292</u>
<b>Changes in working capital</b>		
Net change in current assets	(6,882)	35,671
Net change in current liabilities	(61,893)	(30,088)
Net cash flows from operating activities	<u>(48,713)</u>	<u>24,875</u>
<b>Cash flows from investing activities</b>		
Equity investments	(5,530)	(15,279)
Net cash inflow from disposal of subsidiaries	-	-
Other investments	(14,560)	(16,938)
	<u>(20,090)</u>	<u>(32,217)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(15,940)	(13,265)
Issue of shares	-	-
Bank borrowings	(1,038)	(591)
Other/Non-controlling interest	(47)	-
	<u>(17,025)</u>	<u>(13,856)</u>
Net change in cash & cash equivalents	<u>(85,828)</u>	<u>(21,198)</u>
Cash & cash equivalents at beginning of the period	192,355	108,696
Exchange rate effects	6,174	9,337
Cash & cash equivalents at end of the period	<u>112,701</u>	<u>96,835</u>
<b>Cash &amp; cash equivalents at end of the period</b>		
Deposits with licensed banks	44,039	13,478
Money market placements, cash and bank balances	68,662	83,357
Bank overdrafts	-	-
	<u>112,701</u>	<u>96,835</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)

**CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2015**

	Attributable to owners of the parent						Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Non-distributable				Distributable		
		Share premium RM'000	Treasury shares RM'000	Fair value reserve RM'000	Currency translation RM'000	Retained profits RM'000		
Balance at 01/01/2015	269,124	1,920	(21,385)	62	(13,767)	362,679	29,767	628,400
Dividend	-	-	-	-	-	(15,928)	-	(15,928)
Issue of shares	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	212	212
Dilution in non-controlling interest	-	-	-	-	-	-	(87)	(87)
Acquisition of treasury shares	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	6	5,437	21,999	1,385	28,827
<b>Balance at 31/03/2015</b>	<b>269,124</b>	<b>1,920</b>	<b>(21,385)</b>	<b>68</b>	<b>(8,330)</b>	<b>368,750</b>	<b>31,277</b>	<b>641,424</b>
Balance at 01/01/2014	136,004	-	(20,780)	(3)	(19,737)	434,467	26,412	556,363
Dividend	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	388	388
Dilution in non-controlling interest	-	-	-	-	-	-	(2,339)	(2,339)
Acquisition of treasury shares	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	5	8,460	23,287	1,467	33,219
<b>Balance at 31/03/2014</b>	<b>136,004</b>	<b>-</b>	<b>(20,780)</b>	<b>2</b>	<b>(11,277)</b>	<b>457,754</b>	<b>25,928</b>	<b>587,631</b>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)

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**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134**

**1. Accounting policies and method of computation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134 : Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS”). The MFRSs are to be applied by all entities Other Than The Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreement for Construction of Real Estate), including its parent, significant investor and venture (herein called “Transitioning Entities”).

With the issuance of MFRS 15 : Revenue from Contracts with Customers and Agriculture : Bearer Plants (Amendments to MFRS 116 and MFRS 141), all Transitioning Entities would be required to adopt the MFRS framework latest by 1 January 2017. The Group falls within the definition of Transitioning Entities and has elected to present its first Malaysian Financial Reporting Standards (“MFRS”) financial statements when MFRS framework become mandatory.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2014. The adoption of the new, revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2015, are expected to have no significant impact on the Group’s financial statements.

**2. Auditors’ report on preceding annual financial statements**

The auditors’ report on the audited financial statements for the year ended 31 December 2014 was not qualified.

**3. Seasonal and cyclical factors**

Except for the production of fresh fruit bunches (“FFB”) which is cyclical in nature, the Group’s operations were not significantly affected by seasonal or cyclical factors.

**4. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter.

**5. Changes in estimates**

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current quarter.

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**6. Dividends paid**

A second interim single tier dividend of 3 sen per ordinary share amounting to RM15,940,179.75 in respect of the financial year ended 31 December 2014 was paid on 30 January 2015.

**7. Segmental information**

3 months ended 31 March 2015				
Revenue			Profit/(loss) before tax	
External	Inter-segment	Total		
RM'000	RM'000	RM'000	RM'000	
<u>Business segments</u>				
- Palm oil mill equipment and related products & Contracting works	98,526	2,940	101,466	24,936
- Oil palm plantation	344	-	344	(899)
- Retrofitting special purpose vehicles	18,775	-	18,775	1,561
Elimination		(2,940)	(2,940)	-
	117,645	-	117,645	25,598
Share of results of associates				(1,037)
Share of result of joint venture				(754)
<b>Total</b>	<b>117,645</b>	<b>-</b>	<b>117,645</b>	<b>23,807</b>

3 months ended 31 March 2014				
Revenue			Profit/(loss) before tax	
External	Inter-segment	Total		
RM'000	RM'000	RM'000	RM'000	
<u>Business segments</u>				
- Palm oil mill equipment and related products & Contracting works	88,722	3,119	91,841	23,648
- Oil palm plantation	193	-	193	(2,186)
- Retrofitting special purpose vehicles	32,124	-	32,124	2,301
Elimination		(3,119)	(3,119)	-
	121,039	-	121,039	23,763
Share of results of associates				2,060
Share of result of joint venture				18
<b>Total</b>	<b>121,039</b>	<b>-</b>	<b>121,039</b>	<b>25,841</b>

**8. Carrying amount of revalued assets**

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 December 2014.

**9. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during current quarter.

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**10. Material subsequent events**

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements.

**11. Changes in composition of the Group**

There were no changes in the composition of the Group during the current quarter other than the following:-

- i) On 6 February 2015, AVP Engineering (M) Sdn. Bhd. ("AVP"), a 51% subsidiary of the Company subscribed 60,000 ordinary shares of RM1.00 each, representing 60% equity interest in AVP EMDigital (M) Sdn. Bhd. ("AVPEMD") for a total cash consideration of RM60,000. Following the subscription, AVPEM becomes a 60% owned subsidiary of AVP. For further details, please refer to our announcements to Bursa Securities on 10 February 2015;
- ii) On 11 February 2015, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the paid up capital of PalmitEco Engineering Sdn. Bhd. ("PEESB") for a total cash consideration of RM2.00. In consequence thereof, PEESB become a wholly owned subsidiary of the Company. For further details, please refer to our announcements to Bursa Securities on 13 February 2015; and
- iii) On 20 June 2014, the Company entered into a conditional share sale and purchase agreement with PT Manyangan Jaya ("PTMJ"), Gunter and Cornelis N. Antun to acquire 940 shares of Rp1,000,000 each representing 94% of the issued and paid-up share capital in PTMJ for a total purchase price of up to Rp29,209,121,000 only or equivalent to RM8,227,921. The agreement has been completed following the fulfillment of the conditions precedent and the payment for the revised balance purchase price on 23 February 2015. For further details, please refer to our announcements to Bursa Securities on 26 February 2015.

**12. Changes in contingent liabilities or contingent assets**

There were no significant changes in contingent liabilities or assets of the Company since the last audited statement of financial position as at 31 December 2014 other than the following:-

The issuance of corporate guarantee of RM3 million to a financial institution in respect of banking facility granted to a subsidiary of the Company.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

**13. Review of performance**

The Group's revenue and profit before taxation for the financial period ended 31 March 2015 decreased by 3% and 8% respectively as compared to the same period last year

The decrease in the Group's revenue was mainly due to lower project billing by the special purposes vehicles segment, down by 42% as compared to the same period last year. The decrease in the Group's profit before taxation was mainly due to share of losses by the associates and joint venture. The associates and joint venture posted a loss of RM1.7 million as compared to a profit of RM2 million in the same period last year. The losses by the associates and joint venture were mainly due to decline in production and lower prices of palm products.

The palm oil mill equipment segment reported higher revenue and profit before taxation by 10% and 5% respectively as compared to the same period last year. The increase in profit was mainly due to the improvement in project completion and billing.

Both the revenue and profit before taxation of the special purpose vehicles segment decreased as compared to the same period last year. The decreases were mainly due to lower project implementation during the financial year.

**14. Comparison with preceding quarter's result**

The Group's revenue and profit before taxation for the current quarter decreased by 31% and 29% respectively as compared to the immediate preceding quarter.

The decrease in the Group's revenue was mainly due to lower project billing and completion by the special purpose vehicles segment which declined by 61% as compared to the immediate preceding quarter.

The decrease in the Group's profit before taxation was mainly attributable to the lower contribution by the special purpose vehicles segment and the share of losses posted by the associates and joint venture during the current quarter.

**15. Commentary on prospects**

In view of the progress in the implementation of the projects secured in hand and the current challenging environment, the Board expects the Group to achieve satisfactory results driven by the palm oil mill equipment and special purpose vehicles segments for the financial year ending 31 December 2015.

**16. Profit forecast and profit guarantee**

No profit forecast and profit guarantee were issued by the Company during the current financial period.



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**17. Corporate proposals**

There were no corporate proposals announced but not completed as at the date of issue of these interim financial statements.

**18. Taxation**

	Individual quarter 31/03/2015 RM'000	Cumulative quarter 31/03/2015 RM'000
Malaysian taxation	511	511
Foreign taxation	650	650
Under / (Over) provision in prior year	-	-
Deferred tax	-	-
<b>Total</b>	<b>1,161</b>	<b>1,161</b>

The effective tax rate of the Group is lower than the statutory tax rate mainly due to the availability of tax exemption granted under pioneer status to a subsidiary of the Company.

**19. Borrowings and debt securities**

Group borrowings as at 31 March 2015:-

	Current RM'000	Non-current RM'000	Total RM'000
<u>Secured borrowings</u>			
Ringgit Malaysia	4,930	16,466	21,396
US Dollar	-	-	-
<b>Total</b>	<b>4,930</b>	<b>16,466</b>	<b>21,396</b>

**20. Material litigation**

There were no material litigations as at the date of issue of these interim financial statements.

**21. Derivative financial instruments**

There were no outstanding derivative financial instruments as at the date of issue of these interim financial statements.

**22. Dividend payable**

On 5 May 2015, the Board of Directors proposed a first interim single tier dividend of 3 sen per ordinary share in respect of the financial year ending 31 December 2015. The interim dividend is to be paid on a date to be announced later.

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**23. Comprehensive Income Disclosure**

Profit before taxation is arrived at after charging/(crediting):-

	Individual quarter		Cumulative quarter	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Interest income	(1,249)	(1,980)	(1,249)	(1,980)
Interest expense	242	30	242	30
Depreciation/Amortization	1,637	1,439	1,637	1,439
Bad debts recovered/ Reversal of allowance for doubtful debts	-	-	-	-
Allowance for doubtful debts/Bad debts written off	-	-	-	-
(Gain)/Loss on disposal of property, plant and equipment	(95)	-	(95)	-
Inventories written down	-	-	-	-
Plant and equipment written off	-	-	-	-
Fair value (gain)/loss on :-				
- Derivative instruments	-	-	-	-
- Short term investments	(1,056)	(2,912)	(1,056)	(2,912)
Other income	-	-	-	-
(Gain)/Loss on foreign exchange	(1,384)	615	(1,384)	615

**24. Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to the shareholders by the weighted average number of ordinary shares of RM0.50 each in issue during the period, excluding treasury shares held by the Company. The diluted earnings per share is calculated based on the weighted average number of ordinary shares in issue during the period after the adjustment for the effect of dilutive potential ordinary shares (Adjusted for bonus shares and on assumption that all warrants are exercised).

	Individual quarter		Cumulative quarter	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
<b>i) Basic</b>				
Weighted average number of ordinary shares in issue ('000)	531,339	265,299	531,339	265,299
Basic earnings per share (sen)	4.14	8.78	4.14	8.78
<b>ii) Diluted</b>				
Weighted average number of ordinary shares outstanding ('000)	618,738	619,008	618,738	619,008
Basic earnings per share (sen)	3.56	3.76	3.56	3.76

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**25. Realized and unrealized profits/losses**

	31/03/2015 RM'000	31/03/2014 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realized	386,437	461,575
- Unrealized	2,770	7,105
	389,207	468,680
Total share of retained profits from associated companies:-		
- Realized	42,844	43,368
- Unrealized	(4,643)	(5,581)
	38,201	37,787
Total share of accumulated losses from a joint venture:-		
- Realized	3,291	4,296
- Unrealized	(237)	(237)
	3,054	4,059
Less : Consolidation adjustments	(61,712)	(52,772)
Total group retained profits as per consolidated accounts	368,750	457,754

**26. Authorization for issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors dated 28 May 2015.