

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2016**

	Individual Quarter		Cumulative Period	
	Current Quarter 31/03/2016 RM'000	Comparative Quarter 31/03/2015 RM'000	Current Year-to-date 31/03/2016 RM'000	Comparative Year-to-date 31/03/2015 RM'000
<b>Continuing Operations</b>				
Revenue	113,202	117,645	113,202	117,645
Cost of sales	(82,481)	(87,376)	(82,481)	(87,376)
Gross profit	30,721	30,269	30,721	30,269
Other operating income	1,636	3,851	1,636	3,851
Operating expenses	(18,221)	(8,235)	(18,221)	(8,235)
Profit from operations	14,136	25,885	14,136	25,885
Finance costs	(315)	(287)	(315)	(287)
Share of results of associates	557	(1,037)	557	(1,037)
Share of result of joint venture	(955)	(754)	(955)	(754)
<b>Profit before taxation</b>	<b>13,423</b>	<b>23,807</b>	<b>13,423</b>	<b>23,807</b>
Taxation	(4,087)	(1,161)	(4,087)	(1,161)
<b>Profit after taxation</b>	<b>9,336</b>	<b>22,646</b>	<b>9,336</b>	<b>22,646</b>
<b>Other comprehensive income :-</b>				
Gain/(Loss) on fair value measurement of available-for-sale investments	(4)	6	(4)	6
Exchange differences on translation of foreign operations	(7,839)	6,174	(7,839)	6,174
<b>Total comprehensive income for the period</b>	<b>1,493</b>	<b>28,826</b>	<b>1,493</b>	<b>28,826</b>
<b>Profit attributable to :-</b>				
Owners of the parent	9,316	21,999	9,316	21,999
Non-controlling interest	20	647	20	647
	9,336	22,646	9,336	22,646
<b>Total comprehensive income attributable to :-</b>				
Owners of the parent	2,149	27,441	2,149	27,441
Non-controlling interest	(656)	1,385	(656)	1,385
	1,493	28,826	1,493	28,826
<b>Earning per share (sen)</b>				
- Basic	1.78	4.14	1.78	4.14
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2016**

	As At 31/03/2016 RM'000	As At 31/12/2015 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	90,210	90,034
Plantation development expenditure	224,937	226,143
Goodwill	16,341	16,341
Investment in associates	91,137	90,714
Investment in joint venture	23,054	23,771
Assets held for sale	17,959	17,959
Other assets	11,780	12,032
<b>Total non-current assets</b>	<b>475,418</b>	<b>476,994</b>
<b>Current assets</b>		
Inventories	37,579	38,364
Trade receivables	91,468	117,276
Other receivables	25,453	31,472
Amount due from contract customers	85,026	76,148
Short-term investments	32,711	52,136
Cash and cash equivalents	116,904	183,543
<b>Total current assets</b>	<b>389,141</b>	<b>498,939</b>
<b>TOTAL ASSETS</b>	<b>864,559</b>	<b>975,933</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	269,124	269,124
Treasury shares	(33,980)	(32,033)
Reserves	412,893	431,731
	648,037	668,822
<b>Non-controlling interest</b>	<b>38,365</b>	<b>38,459</b>
<b>Total equity</b>	<b>686,402</b>	<b>707,281</b>
<b>Non-current liabilities</b>		
Borrowings	14,127	14,621
Other liabilities	1,823	2,065
<b>Total non-current liabilities</b>	<b>15,950</b>	<b>16,686</b>
<b>Current liabilities</b>		
Trade payables	37,366	66,022
Other payables	40,733	60,354
Amount due to contract customers	81,580	104,705
Borrowings	2,528	5,107
Dividend payable	-	15,778
<b>Total current liabilities</b>	<b>162,207</b>	<b>251,966</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>864,559</b>	<b>975,933</b>
 Net assets per share (RM)	 1.24	 1.27

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 MARCH 2016**

	Current Year-to-date 31/03/2016 RM'000	Comparative Year to-date 31/03/2015 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	13,423	23,807
Adjustment for non-cash flow items :-		
Non-cash items	2,001	3,428
Non-operating items	(2,725)	(7,173)
Operating profit before changes in working capital	<u>12,699</u>	<u>20,062</u>
Changes in working capital		
Net change in current assets	22,451	(6,882)
Net change in current liabilities	(68,714)	(61,893)
Net cash flows from operating activities	<u>(33,564)</u>	<u>(48,713)</u>
<b>Cash flows from investing activities</b>		
Equity investments	-	(5,530)
Net cash inflow from disposal of subsidiaries	-	-
Other investments	15,987	(14,560)
	<u>15,987</u>	<u>(20,090)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(36,765)	(15,940)
Issue of shares	-	-
Bank borrowings	(3,073)	(1,038)
Other/Non-controlling interest	(1,385)	(47)
	<u>(41,223)</u>	<u>(17,025)</u>
<b>Net change in cash &amp; cash equivalents</b>	<u>(58,800)</u>	<u>(85,828)</u>
<b>Cash &amp; cash equivalents at beginning of the period</b>	183,543	192,355
<b>Exchange rate effects</b>	(7,839)	6,174
<b>Cash &amp; cash equivalents at end of the period</b>	<u>116,904</u>	<u>112,701</u>
<b>Cash &amp; cash equivalents at end of the period</b>		
Deposits with licensed banks	17,807	44,039
Money market placements, cash and bank balances	99,097	68,662
Bank overdrafts	-	-
	<u>116,904</u>	<u>112,701</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2016**

	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 01/01/2016	269,124	1,920	(32,033)	(89)	942	428,958	38,459	707,281
Dividend	-	-	-	-	-	(20,987)	-	(20,987)
Issue of shares	-	-	-	-	-	-	562	562
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Dilution in non-controlling interest	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	(1,947)	-	-	-	-	(1,947)
Bonus issue	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(4)	(7,163)	9,316	(656)	1,493
<b>Balance at 31/03/2016</b>	<b>269,124</b>	<b>1,920</b>	<b>(33,980)</b>	<b>(93)</b>	<b>(6,221)</b>	<b>417,287</b>	<b>38,365</b>	<b>686,402</b>
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 31/12/2015</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>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**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 2015. 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 2015.

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; 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”).

As further announced by MASB, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

The Group falls within the definition of transitioning entities and has elected to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2018. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still on going.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015. The adoption of the new, revised accounting standards and interpretations (including the consequential amendments, if any) is 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 2015 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 RM15,777,805 in respect of the financial year ended 31 December 2015 was paid on 6 January 2016.

In addition, the Company had on 4 February 2016 declared a special interim single tier dividend of 4 sen per ordinary share amounting to RM20,986,541 in respect of the financial year ended 31 December 2015. The dividend was paid on 15 March 2016.

**7. Segmental information**

3 months ended 31 March 2016				
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	102,508	3,562	106,070	19,392
- Oil palm plantation	481	-	481	(7,246)
- Retrofitting special purpose vehicles	10,213	-	10,213	1,675
Elimination		(3,562)	(3,562)	-
	113,202	-	113,202	13,821
Share of results of associates				557
Share of result of joint venture				(955)
<b>Total</b>	<b>113,202</b>	<b>-</b>	<b>113,202</b>	<b>13,423</b>

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>

**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 2015.

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**9. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter other than the following:-

On 28 May 2015, the shareholders of the Company approved the renewal of authority for the Company's plan to repurchase its own shares. During the current quarter, the Company repurchased 953,100 of its issued ordinary shares from the open market at an average price of RM2.04 per share. The total consideration paid for the repurchase including transaction costs was RM1,946,701 and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

**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:-

On 2 February 2016, AV-Ecopalms Sdn. Bhd. and Steam-Mech Engineering Sdn. Bhd., wholly-owned subsidiaries of the Company, subscribed for 10,000 ordinary shares of Rupiah 345,000 each, representing 100% of the equity interest in PT CBI Ecopalms Group.

**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 2015.

**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 2016 decreased by 4% and 44% 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 during the financial period. The decrease in the Group's profit before taxation was mainly due to a lower contribution posted by the palm oil equipment segment and a much higher loss suffered by the oil palm plantation segment, mainly attributable to the loss on foreign exchange.

The palm oil mill equipment segment reported lower profit before taxation by 22% despite an increase in revenue by 5% as compared to the same period last year. The marginal increase in revenue was mainly attributable to the higher project billing and implementation in the current financial period. The decrease in profit was mainly due to the losses incurred by the investment in asset management resulting from the poor performance in the equity market during the current financial period.

The profit before taxation of the special purpose vehicles segment increased by 7% despite a lower revenue by 46% as compared to the same period last year. The increase in profit was mainly due to improvement in project management during the financial period.

The share of results of the associates improved to a profit from a loss incurred in the same period last year. The improved performance was mainly due to increase in production and prices of palm products.

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

Both the Group's revenue and profit before taxation for the current quarter decreased 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 and palm oil mill equipment segments.

The decrease in the Group's profit before taxation was mainly due to lower contributions and higher losses from all segments, mainly resulting from the losses incurred by other investments and unfavorable foreign exchange during the current quarter.

The share of results of associates and joint venture were also lower as compared to the immediate preceding quarter, mainly due to decrease in production 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 mainly driven by the palm oil mill equipment and special purpose vehicles segments for the financial year ending 31 December 2016.

**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 31/03/2016 RM'000	Cumulative period 31/03/2016 RM'000
Malaysian taxation	5,877	5,877
Foreign taxation	370	370
Under / (Over) provision in prior year	-	-
Deferred tax	(2,160)	(2,160)
Total	4,087	4,087

**19. Borrowings and debt securities**

Group borrowings as at 31 March 2016:-

	Current RM'000	Non-current RM'000	Total RM'000
<u>Secured borrowings</u>			
Ringgit Malaysia	2,528	14,127	16,655
US Dollar	-	-	-
Total	2,528	14,127	16,655

**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**

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 2016. 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 period	
	31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
Interest income	(206)	(249)	(206)	(249)
Interest expense	199	242	199	242
Depreciation/Amortization	1,520	1,637	1,520	1,637
Bad debts recovered/ Reversal of allowance for doubtful debts	-	-	-	-
Allowance for doubtful debts/Bad debts written off	82	-	82	-
(Gain)/Loss on disposal of property, plant and equipment	(100)	(95)	(100)	(95)
Inventories written down	-	-	-	-
Plant and equipment written off	-	-	-	-
Fair value (gain)/loss on :-				
- Derivative instruments	-	-	-	-
- Short term investments	3,048	(1,056)	3,048	(1,056)
(Gain)/Loss on foreign exchange	4,788	(1,384)	4,788	(1,384)

**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.

	Individual quarter		Cumulative period	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
<u>Basic</u>				
Weighted average number of ordinary shares in issue ('000)	524,664	531,339	524,664	531,339
Basic earnings per share (sen)	1.78	4.14	1.78	4.14

The diluted earnings per share is not presented as the assumed conversion of the warrants would be unlikely as the average market price for the share is below the warrants exercise price.

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

	31/03/2016 RM'000	31/03/2015 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realized	457,602	386,437
- Unrealized	(7,192)	2,770
	450,410	389,207
Total share of retained profits from associated companies:-		
- Realized	47,214	42,844
- Unrealized	(5,507)	(4,643)
	41,707	38,201
Total share of accumulated losses from a joint venture:-		
- Realized	3,206	3,291
- Unrealized	(339)	(237)
	2,867	3,054
Less : Consolidation adjustments	(77,697)	(61,712)
Total group retained profits as per consolidated accounts	417,287	368,750

**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 26 May 2016.