

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**Unaudited Condensed Consolidated Statements of Comprehensive Income**

	3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	CURRENT QUARTER ENDED 31/12/2014 RM	COMPARATIVE QUARTER ENDED 31/12/2013 RM	CURRENT PERIOD ENDED 31/12/2014 RM	COMPARATIVE PERIOD ENDED 31/12/2013 RM
Revenue	66,089,817	47,616,943	202,008,520	228,879,891
Cost of sales	(46,893,678)	(36,982,334)	(144,299,177)	(162,716,891)
Gross profit	<u>19,196,139</u>	<u>10,634,609</u>	<u>57,709,343</u>	<u>66,163,000</u>
Other income	933,815	875,856	3,152,532	3,542,692
Distribution costs	(337,972)	(585,082)	(3,359,978)	(1,930,149)
Administrative expenses	(5,286,704)	(5,760,778)	(18,705,314)	(17,281,763)
Other expenses	(850,076)	242,430	(2,921,749)	(2,216,741)
Finance costs	(211,615)	(179,931)	(1,134,703)	(354,602)
Share of results of associates	(389,674)	(511,362)	(2,815,641)	(810,029)
Profit before tax	<u>13,053,913</u>	<u>4,715,742</u>	<u>31,924,490</u>	<u>47,112,408</u>
Income tax expense	(3,312,712)	(1,332,333)	(7,982,146)	(12,155,842)
Profit for the period	<u>9,741,201</u>	<u>3,383,409</u>	<u>23,942,344</u>	<u>34,956,566</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the period	<u>9,741,201</u>	<u>3,383,409</u>	<u>23,942,344</u>	<u>34,956,566</u>
Profit for the period attributable to:				
Owners of the parent	8,346,618	2,971,167	20,968,209	33,457,777
Non-controlling interests	1,394,583	412,242	2,974,135	1,498,789
	<u>9,741,201</u>	<u>3,383,409</u>	<u>23,942,344</u>	<u>34,956,566</u>
Total Comprehensive Income for the period attributable to:				
Owners of the parent	8,346,618	2,971,167	20,968,209	33,457,777
Non-controlling interests	1,394,583	412,242	2,974,135	1,498,789
	<u>9,741,201</u>	<u>3,383,409</u>	<u>23,942,344</u>	<u>34,956,566</u>
Earnings per share attributable to owners the parent:				
Basic, for profit for the period (sen)	<u>3.24</u>	<u>1.15</u>	<u>8.13</u>	<u>12.98</u>
Diluted, for profit for the period (sen) - Not Applicable				

(These Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**Unaudited Condensed Consolidated Statements of Financial Position**

	AS AT 31/12/2014 RM	AS AT 31/12/2013 RM
ASSETS		
Non-current assets		
Property, plant & equipment	157,259,373	155,148,033
Investment in associates	1,391,079	2,086,720
Deferred tax assets	-	510,002
	<u>158,650,452</u>	<u>157,744,755</u>
Current assets		
Inventories	38,860,261	52,362,454
Amount due from customers for contract work	-	267,616
Trade and other receivables	41,732,952	83,607,854
Other current assets	2,867,049	570,527
Investment securities	91,090,687	25,649,203
Cash and bank balances	7,549,362	11,835,463
	<u>182,100,311</u>	<u>174,293,117</u>
TOTAL ASSETS	<u>340,750,763</u>	<u>332,037,872</u>
EQUITY AND LIABILITIES		
Current liabilities		
Amount due to customers for contract work	2,035,871	-
Loans and borrowings	15,060,746	8,521,551
Trade and other payables	11,453,901	25,163,487
Income tax payable	5,213,883	549,412
	<u>33,764,401</u>	<u>34,234,450</u>
Net Current assets	<u>148,335,910</u>	<u>140,058,667</u>
Non-current liabilities		
Loans and borrowings	9,392,302	9,015,733
Deferred tax liabilities	1,954,273	4,200,646
	<u>11,346,575</u>	<u>13,216,379</u>
Total liabilities	<u>45,110,976</u>	<u>47,450,829</u>
Net assets	<u>295,639,787</u>	<u>284,587,043</u>
Equity attributable to owners of the parent		
Share capital	128,896,000	128,896,000
Retained earnings	156,736,492	148,657,883
	<u>285,632,492</u>	<u>277,553,883</u>
Non-controlling interests	<u>10,007,295</u>	<u>7,033,160</u>
Total equity	<u>295,639,787</u>	<u>284,587,043</u>
TOTAL EQUITY AND LIABILITIES	<u>340,750,763</u>	<u>332,037,872</u>

(These Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**Unaudited Condensed Consolidated Statements of Changes in Equity**

	<----- Attributable to owners of the parent ----->			Non-controlling	Total
	Non-Distributable	Distributable	Total	Interests	Equity
	Share	Retained			
	Capital	Earnings			
	RM	RM	RM	RM	RM
At 1 January 2013	128,896,000	130,023,146	258,919,146	6,134,371	265,053,517
Profit for the period	-	33,457,777	33,457,777	1,498,789	34,956,566
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	33,457,777	33,457,777	1,498,789	34,956,566
Dividend paid to non-controlling interests	-	-	-	(600,000)	(600,000)
First and final dividend for FYE 31 December 2012	-	(9,667,200)	(9,667,200)	-	(9,667,200)
Interim dividend for FYE 31 December 2013	-	(5,155,840)	(5,155,840)	-	(5,155,840)
At 31 December 2013	<u>128,896,000</u>	<u>148,657,883</u>	<u>277,553,883</u>	<u>7,033,160</u>	<u>284,587,043</u>
At 1 January 2014	128,896,000	148,657,883	277,553,883	7,033,160	284,587,043
Profit for the period	-	20,968,209	20,968,209	2,974,135	23,942,344
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	20,968,209	20,968,209	2,974,135	23,942,344
Final dividend for FYE 31 December 2013	-	(12,889,600)	(12,889,600)	-	(12,889,600)
At 31 December 2014	<u>128,896,000</u>	<u>156,736,492</u>	<u>285,632,492</u>	<u>10,007,295</u>	<u>295,639,787</u>

(These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**Unaudited Condensed Consolidated Statements of Cash Flows**

	CUMULATIVE 12 MONTHS ENDED 31/12/2014 RM	CUMULATIVE 12 MONTHS ENDED 31/12/2013 RM
Profit before taxation	31,924,490	47,112,408
Adjustments for:		
Depreciation of property, plant & equipment	11,782,994	7,498,276
Interest expense	1,134,703	354,602
Property, plant & equipment written off	9,755	728
Gain on disposal of property, plant & equipment	(29,313)	-
Bad debts written off	527,493	-
Inventory written off	19,708	-
Impairment loss on trade receivables	412,114	317,498
Dividend income	(791,342)	(985,810)
Fair value changes in investment securities	(516,355)	(869,785)
Unrealised foreign exchange (gain)/loss	(18,372)	23,218
Interest income	(540,037)	(665,474)
Share of results of associates	2,815,641	810,029
Total adjustments	<u>14,806,989</u>	<u>6,483,282</u>
Operating cash flows before changes in working capital	46,731,479	53,595,690
Changes in working capital		
Decrease/(increase) in inventories	13,482,485	(4,415,230)
Decrease/(increase) in amount due from customers for contract work	267,616	(267,616)
Increase/(decrease) in amount due to customers for contract work	2,035,871	(828,970)
Decrease/(increase) in receivables	41,316,751	(29,702,646)
(Decrease)/increase in payables	(13,691,214)	6,316,617
Decrease in other current assets	-	495
Cash flows from operations	<u>90,142,988</u>	<u>24,698,340</u>
Interest paid	(1,134,703)	(354,602)
Taxation paid, net of refund	<u>(7,350,568)</u>	<u>(7,871,560)</u>
Net cash flows from operating activities	<u>81,657,717</u>	<u>16,472,178</u>
Investing activities		
Proceeds from disposal of property, plant & equipment	36,500	-
Acquisition of property, plant & equipment	(9,081,921)	(29,416,202)
Additional investment in an associate	(2,150,000)	(1,680,000)
Net (acquisition of)/proceeds from investment securities	(64,133,787)	30,076,911
Interest received	158,581	122,593
Dividend received from an associate	30,000	30,000
Net cash flows used in investing activities	<u>(75,140,627)</u>	<u>(866,698)</u>
Financing activities		
Dividend paid to shareholders of the Company	(12,889,600)	(14,823,040)
Dividend paid to non-controlling interests	-	(600,000)
Net proceeds from/(repayment of) bankers' acceptances	5,911,000	(1,711,000)
Repayment of lease instalments	<u>(3,824,591)</u>	<u>(2,056,172)</u>
Net cash flows used in financing activities	<u>(10,803,191)</u>	<u>(19,190,212)</u>
Net decrease in cash and cash equivalents	(4,286,101)	(3,584,732)
Cash and cash equivalents at the beginning of the period	11,835,463	15,420,195
Cash and cash equivalents at the end of the period	<u>7,549,362</u>	<u>11,835,463</u>

(These Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)