

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015**Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

	3 MONTHS ENDED		CUMULATIVE 3 MONTHS ENDED	
	CURRENT QUARTER ENDED 31/03/2015 RM	COMPARATIVE QUARTER ENDED 31/03/2014 RM	CURRENT PERIOD ENDED 31/03/2015 RM	COMPARATIVE PERIOD ENDED 31/03/2014 RM
Revenue	76,726,693	42,617,751	76,726,693	42,617,751
Cost of sales	(38,591,740)	(29,125,123)	(38,591,740)	(29,125,123)
Gross profit	<u>38,134,953</u>	<u>13,492,628</u>	<u>38,134,953</u>	<u>13,492,628</u>
Other income	1,284,197	721,967	1,284,197	721,967
Distribution costs	(182,391)	(1,529,028)	(182,391)	(1,529,028)
Administrative expenses	(4,668,080)	(5,591,476)	(4,668,080)	(5,591,476)
Other expenses	(467,730)	(740,845)	(467,730)	(740,845)
Finance costs	(149,127)	(353,181)	(149,127)	(353,181)
Share of results of associates	421,945	(620,193)	421,945	(620,193)
Profit before tax	<u>34,373,767</u>	<u>5,379,872</u>	<u>34,373,767</u>	<u>5,379,872</u>
Income tax expense	(5,766,374)	(1,432,058)	(5,766,374)	(1,432,058)
Profit for the period	<u>28,607,393</u>	<u>3,947,814</u>	<u>28,607,393</u>	<u>3,947,814</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the period	<u>28,607,393</u>	<u>3,947,814</u>	<u>28,607,393</u>	<u>3,947,814</u>
Profit for the period attributable to:				
Owners of the parent	26,670,710	3,797,451	26,670,710	3,797,451
Non-controlling interests	1,936,683	150,363	1,936,683	150,363
	<u>28,607,393</u>	<u>3,947,814</u>	<u>28,607,393</u>	<u>3,947,814</u>
Total Comprehensive Income for the period attributable to:				
Owners of the parent	26,670,710	3,797,451	26,670,710	3,797,451
Non-controlling interests	1,936,683	150,363	1,936,683	150,363
	<u>28,607,393</u>	<u>3,947,814</u>	<u>28,607,393</u>	<u>3,947,814</u>
Earnings per share attributable to owners the parent:				
Basic, for profit for the period (sen)	<u>10.35</u>	<u>1.47</u>	<u>10.35</u>	<u>1.47</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.)

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015**Unaudited Condensed Consolidated Statements of Financial Position**

	AS AT 31/03/2015 RM	AS AT 31/12/2014 RM
ASSETS		
Non-current assets		
Property, plant & equipment	154,675,678	157,259,373
Investment in associates	2,673,024	1,391,079
	<u>157,348,702</u>	<u>158,650,452</u>
Current assets		
Inventories	31,588,000	38,860,261
Trade and other receivables	41,448,173	41,732,952
Other current assets	3,524,242	2,867,049
Investment securities	98,143,470	91,090,687
Cash and bank balances	22,914,491	7,549,362
	<u>197,618,376</u>	<u>182,100,311</u>
TOTAL ASSETS	<u>354,967,078</u>	<u>340,750,763</u>
EQUITY AND LIABILITIES		
Current liabilities		
Amount due to customers for contract work	1,057,980	2,035,871
Loans and borrowings	3,593,477	15,060,746
Trade and other payables	10,566,084	11,453,901
Income tax payable	5,341,745	5,213,883
	<u>20,559,286</u>	<u>33,764,401</u>
Net Current assets	<u>177,059,090</u>	<u>148,335,910</u>
Non-current liabilities		
Loans and borrowings	8,633,122	9,392,302
Deferred tax liabilities	1,527,490	1,954,273
	<u>10,160,612</u>	<u>11,346,575</u>
Total liabilities	<u>30,719,898</u>	<u>45,110,976</u>
Net assets	<u>324,247,180</u>	<u>295,639,787</u>
Equity attributable to owners of the parent		
Share capital	128,896,000	128,896,000
Retained earnings	183,407,202	156,736,492
	<u>312,303,202</u>	<u>285,632,492</u>
Non-controlling interests	<u>11,943,978</u>	<u>10,007,295</u>
Total equity	<u>324,247,180</u>	<u>295,639,787</u>
TOTAL EQUITY AND LIABILITIES	<u>354,967,078</u>	<u>340,750,763</u>

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

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015**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 2014	128,896,000	148,657,883	277,553,883	7,033,160	284,587,043
Profit for the period	-	3,797,451	3,797,451	150,363	3,947,814
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	3,797,451	3,797,451	150,363	3,947,814
At 31 March 2014	<u>128,896,000</u>	<u>152,455,334</u>	<u>281,351,334</u>	<u>7,183,523</u>	<u>288,534,857</u>
At 1 January 2015	128,896,000	156,736,492	285,632,492	10,007,295	295,639,787
Profit for the period	-	26,670,710	26,670,710	1,936,683	28,607,393
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	26,670,710	26,670,710	1,936,683	28,607,393
At 31 March 2015	<u>128,896,000</u>	<u>183,407,202</u>	<u>312,303,202</u>	<u>11,943,978</u>	<u>324,247,180</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.)

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015**Unaudited Condensed Consolidated Statements of Cash Flows**

	CUMULATIVE 3 MONTHS ENDED 31/03/2015 RM	CUMULATIVE 3 MONTHS ENDED 31/03/2014 RM
Profit before taxation	34,373,767	5,379,872
Adjustments for:		
Depreciation of property, plant & equipment	3,121,200	2,902,893
Interest expense	149,127	353,181
Property, plant & equipment written off	6,236	88
Impairment loss on trade receivables	158,055	110,186
Dividend income	(348,137)	(158,899)
Fair value changes in investment securities	(404,647)	(151,416)
Unrealised foreign exchange gain	(4,846)	(23,218)
Interest income	(243,447)	(177,192)
Share of results of associates	(421,945)	620,193
Total adjustments	<u>2,011,596</u>	<u>3,475,816</u>
Operating cash flows before changes in working capital	36,385,363	8,855,688
Changes in working capital		
Decrease/(increase) in inventories	7,272,261	(13,199,010)
Increase in amount due from customers for contract work	-	(1,485,899)
Decrease in amount due to customers for contract work	(977,891)	-
Decrease in receivables	334,092	18,970,432
Decrease in payables	(882,971)	(3,588,505)
Increase in other current assets	(3,001)	(12,352)
Cash flows from operations	<u>42,127,853</u>	<u>9,540,354</u>
Interest paid	(149,127)	(353,181)
Taxation paid, net of refund	<u>(6,719,487)</u>	<u>(2,884,283)</u>
Net cash flows from operating activities	<u>35,259,239</u>	<u>6,302,890</u>
Investing activities		
Acquisition of property, plant & equipment	(543,741)	(930,333)
Additional investment in an associate	(860,000)	(1,290,000)
Net acquisition of investment securities	(6,299,999)	(25,399,759)
Interest received	36,079	35,032
Dividend received from an associate	-	30,000
Net cash flows used in investing activities	<u>(7,667,661)</u>	<u>(27,555,060)</u>
Financing activities		
Net (repayment of)/proceeds from bankers' acceptances	(11,200,000)	15,603,000
Repayment of lease instalments	<u>(1,026,449)</u>	<u>(859,489)</u>
Net cash flows (used in)/from financing activities	<u>(12,226,449)</u>	<u>14,743,511</u>
Net increase/(decrease) in cash and cash equivalents	15,365,129	(6,508,659)
Cash and cash equivalents at the beginning of the period	7,549,362	11,835,463
Cash and cash equivalents at the end of the period	<u>22,914,491</u>	<u>5,326,804</u>

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