

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2013**

	Individual Quarter		Cumulative Period	
	Current Quarter 31/12/2013 RM'000	Comparative Quarter 31/12/2012 RM'000	Current Year-to-date 31/12/2013 RM'000	Comparative Year-to-date 31/12/2012 RM'000
Continuing Operations				
Revenue	150,020	148,133	579,881	521,728
Cost of sales	(97,485)	(119,749)	(441,016)	(412,005)
Gross profit	52,535	28,384	138,865	109,723
Other operating income	5,144	3,867	10,625	6,540
Operating expenses	(9,999)	(9,994)	(31,034)	(25,531)
Profit from operations	47,680	22,257	118,456	90,732
Finance costs	(117)	(253)	(494)	(871)
Share of results of associates	5,624	2,637	7,842	12,341
Share of result of jointly controlled entity	1,824	(1,565)	1,996	46
Profit before taxation	55,011	23,076	127,800	102,248
Taxation	(9,686)	(4,909)	(16,978)	(10,701)
Profit after taxation from continuing operations	45,325	18,167	110,822	91,547
Discontinued Operations				
Profit from discontinued operations	-	-	-	6,028
Gain on disposal of subsidiaries	-	8,781	-	148,370
Profit after taxation	45,325	26,948	110,822	245,945
Other comprehensive income :-				
Gain/(Loss) on fair value measurement of available-for-sale investments	(4)	(1)	2	(2)
Exchange differences on translation of foreign operations	(20,357)	36	(20,751)	31
Total comprehensive income for the period	24,964	26,983	90,073	245,974
Profit attributable to :-				
Owners of the parent	38,655	24,530	98,170	239,619
Non-controlling interest	6,670	2,418	12,652	6,326
	45,325	26,948	110,822	245,945
Total comprehensive income attributable to :-				
Owners of the parent	20,392	24,573	79,512	239,655
Non-controlling interest	4,572	2,410	10,561	6,319
	24,964	26,983	90,073	245,974
Earning per share (sen)				
- Basic	14.57	9.15	37.00	89.38
- 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 2012)

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	As At 31/12/2013 RM'000	As At 31/12/2012 RM'000
Non-current assets		
Property, plant and equipment	119,290	68,564
Plantation development expenditure	81,670	43,327
Goodwill	16,341	16,341
Investment in associates	85,908	82,782
Investment in jointly controlled entity	24,204	22,208
Available -for-sale investments	594	592
Total non-current assets	328,007	233,814
Current assets		
Inventories	36,258	34,197
Trade receivables	131,840	96,700
Other receivables	44,658	38,992
Amount due from contract customers	30,103	50,255
Short-term investments	34,907	21,593
Cash and cash equivalents	99,605	190,425
Derivative assets	-	433
Total current assets	377,371	432,595
TOTAL ASSETS	705,378	666,409
Equity attributable to owners of the parent		
Share capital	136,004	136,004
Treasury shares	(20,780)	(13,706)
Reserves	414,842	361,863
	530,066	484,161
Non-controlling interest	24,116	14,525
Total equity	554,182	498,686
Non-current liabilities		
Borrowings	641	1,054
Other deferred liabilities	3,657	2,549
Total non-current liabilities	4,298	3,603
Current liabilities		
Trade payables	45,766	66,893
Other payables	29,765	22,736
Amount due to contract customers	68,430	55,647
Borrowings	2,937	18,844
Derivative liabilities	-	-
Total current liabilities	146,898	164,120
TOTAL EQUITY AND LIABILITIES	705,378	666,409
 Net assets per share (RM)	 2.00	 1.81

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2013

	Current Year-to-date 31/12/2013 RM'000	Comparative Year-to-date 31/12/2012 RM'000
Cash flows from operating activities		
Profit before tax	127,800	102,248
Adjustment for non-cash flow items :-		
Non-cash items	(3,316)	894
Non-operating items	(18,947)	(11,183)
Operating profit before changes in working capital	<u>105,537</u>	<u>91,959</u>
Changes in working capital		
Net change in current assets	(24,239)	(40,937)
Net change in current liabilities	(3,065)	(8,160)
Net cash flows from operating activities	<u>78,233</u>	<u>42,862</u>
Cash flows from investing activities		
Equity investments	-	(20,089)
Net cash inflow from disposal of subsidiaries	-	271,128
Other investments	(104,340)	(42,787)
	<u>(104,340)</u>	<u>208,252</u>
Cash flows from financing activities		
Dividend paid	(26,672)	(120,946)
Issue of shares	-	-
Bank borrowings	(14,392)	(8,905)
Other/Non-controlling interest	(970)	(290)
	<u>(42,034)</u>	<u>(130,141)</u>
Net change in cash & cash equivalents	<u>(68,141)</u>	<u>120,973</u>
Cash & cash equivalents at beginning of the period	188,497	68,234
Exchange rate effects	(20,751)	(710)
Cash & cash equivalents at end of the period	<u>99,605</u>	<u>188,497</u>
Cash & cash equivalents at end of the period		
Deposits with licensed banks	23,894	10,587
Money market placements, cash and bank balances	75,711	179,838
Bank overdrafts	-	(1,928)
	<u>99,605</u>	<u>188,497</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2013**

	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 01/01/2013	136,004	-	(13,706)	-	(721)	362,584	14,525	498,686
Dividend	-	-	-	-	-	(26,533)	-	(26,533)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Dilution in non-controlling interest	-	-	-	-	-	-	(970)	(970)
Acquisition of treasury shares	-	-	(7,074)	-	-	-	-	(7,074)
Bonus issue	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	2	(18,660)	98,170	10,561	90,073
Balance at 31/12/2013	136,004	-	(20,780)	2	(19,381)	434,221	24,116	554,182
Balance at 01/01/2012	68,781	6,681	(11,613)	2	(759)	317,857	8,105	389,054
Dividend	-	-	-	-	-	(134,350)	-	(134,350)
Issue of shares	-	-	-	-	-	-	391	391
Dilution in non-controlling interest	-	-	-	-	-	-	(290)	(290)
Acquisition of treasury shares	-	-	(2,093)	-	-	-	-	(2,093)
Bonus issue	67,223	(6,681)	-	-	-	(60,542)	-	-
Total comprehensive income	-	-	-	(2)	38	239,619	6,319	245,974
Balance at 31/12/2012	136,004	-	(13,706)	-	(721)	362,584	14,525	498,686

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

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 2012. 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 2012.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new Malaysian Financial Reporting Standards (“MFRS”) to 1 January 2015. Transitioning Entities will be allowed to defer adoption of the new MFRS for a period of three years. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

Accordingly, the Group will be required to prepare its first MFRS financial statements for the year ending 31 December 2015. For financial year ended 31 December 2013, the Group continue to prepare financial statements using FRS.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the adoption of the following FRS, Amendments to FRS and Interpretations which were adopted by the Group with effect from 1 January 2013:-

- FRS 10 Consolidated Financial Statements
- FRS 11 Joint Arrangements
- FRS 12 Disclosure of Interests in Other Entities
- FRS 13 Fair Value Measurement
- FRS 119 (Revised) Employee Benefits
- FRS 127 (2011) Separate Financial Statements
- FRS 128 (2011) Investments in Associates and Joint Ventures
- Amendments to FRS 1 (Revised) : Government Loans
- Amendments to FRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 10, FRS 11 and FRS 12 : Transition Guidance
- Amendments to FRS 101 (Revised) Presentations of Items of Other Comprehensive Income.
- IC interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Annual Improvements to FRSs 2009-2011 Cycle

The adoption of the above standards and interpretations did not have any material 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 2012 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.

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

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.

6. Dividends paid

There were no dividends paid during the current quarter.

7. Segmental information

12 months ended 31 December 2013				
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	317,621	25,566	343,187	81,535
- Oil palm plantation	206	-	206	(4,712)
- Retrofitting special purpose vehicles	262,054	-	262,054	41,139
Elimination		(25,566)	(25,566)	-
	579,881	-	579,881	117,962
Share of results of associates				7,842
Share of result of jointly controlled entity				1,996
Total	579,881	-	579,881	127,800

12 months ended 31 December 2012				
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	341,379	25,898	365,277	76,772
- Oil palm plantation	-	-	-	(2,758)
- Retrofitting special purpose vehicles	180,349	-	180,349	15,847
Elimination		(23,898)	(23,898)	-
	521,728	-	521,728	89,861
Share of results of associates				12,341
Share of result of jointly controlled entity				46
Total	521,728	-	521,728	102,248

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

8. Debt and equity securities

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

On 31 May 2013, 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 69,100 of its issued ordinary shares from the open market at an average price of RM3.14 per share. The total consideration paid for the repurchase including transaction costs was RM218,103 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.

9. 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 2012.

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 other than :-

- (a) On 2 January 2014, AVP Engineering (M) Sdn. Bhd. ("AVP"), a 51% subsidiary of the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the paid up capital of TPG Oil & Gas Sdn. Bhd. ("TPGOG") for a total cash consideration of RM2.00. In consequence thereof, TPGOG become a wholly owned subsidiary of AVP. For further details, please refer to our announcements to Bursa Securities on 3 January 2014.
- (b) On 28 January 2014, the Company acquired 20,000 ordinary shares of RM1.00 each representing the remaining 40% equity interest in Avecpalm Marketing Resources Sdn. Bhd. ("AMR") not already owned by the Company for a total cash consideration of RM3,360,000.00. In consequence thereof, AMR become a wholly owned subsidiary of the Company.

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:-

- (a) On 18 October 2013, The Company had subscribed and acquired 2 ordinary shares of RM1.00 each representing 100% of the paid up capital of Palmite Process Engineering Sdn. Bhd. ("PESB"). In consequence thereof, PESB become a wholly owned subsidiary of the Company. For further details, please refer to our announcements to Bursa Securities on 18 October 2013.

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 2012.

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

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 year ended 31 December 2013 increased by 11% and 25% respectively as compared to the last financial year

Overall the increases in revenue and profit before taxation for the Group were mainly attributable to the improvement in the palm oil equipment and special purpose vehicles segments, despite a lower contribution from the associates and jointly controlled entity. In addition, the other operating income improved during the financial year mainly due to gain on foreign exchange.

The palm oil mill equipment segment reported higher profit before taxation by 6% despite a lower revenue by 7%. The increase in profit was mainly due to the improvement in profit margin.

The special purpose vehicles segment recorded higher revenue and profit before taxation by 45% and 160% respectively as compared to the last financial year. The increases were mainly due to the increase in project implementation and completion during the financial year.

The share of result of associates was lower by 36% mainly due to the lower prices of palm products, whereas the jointly controlled entity reported higher profit mainly attributable to the improvement in production during the financial year.

14. Comparison with preceding quarter's result

The Group's revenue and profit before taxation for the current quarter increased by 10% and 90% as compared to the immediate preceding quarter.

The increase in the Group's revenue was mainly due to a higher project billing by the special purpose vehicles segment during the current quarter.

The increase in the Group's profit before taxation was mainly due to the improvement in the special purpose vehicles segment and the share of results of associates and jointly controlled entity as compared to the immediate preceding quarter. The improved share of results of the associates and jointly controlled entity was mainly due to the higher production and prices of palm products. In addition, the other operating income increased mainly attributable to gain on foreign exchange.

15. Commentary on prospects

In view of the progress in the implementation of the projects secured in hand, 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 2014.

16. Profit forecast and profit guarantee

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

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

17. Taxation

	Individual quarter 31/12/2013 RM'000	Cumulative quarter 31/12/2013 RM'000
Malaysian taxation	7,368	13,803
Foreign taxation	812	1,326
Under / (Over) provision in prior year	291	634
Deferred tax	1,215	1,215
Total	9,686	16,978

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.

18. Corporate proposals

a) Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of issue of these interim financial statements other than the following:-

- i) On 29 August 2012, the Company entered into a conditional share sale and purchase agreement with Elan S. Gahu, Edwin Permana and Cornelis N. Antun to acquire 940 shares of Rp1,000,000 each representing 94% of the issued and paid-up share capital in PT Gumas Alam Subur for a total purchase price of up to Rp18,800,100,000 only or equivalent to RM6,319,361. The said agreement is pending the completion of the conditions precedent as stated in the said agreement. For further details, please refer to our announcements to Bursa Securities on 29 August 2012; and
- ii) On 1 November 2012, the Company entered into a conditional share sale and purchase agreement with Elan S. Gahu, Edwin Permana and Cornelis N. Antun to acquire 940 shares of Rp1,000,000 each representing 94% of the issued and paid-up share capital in PT Kurun Sumber Rezeki for a total purchase price of up to Rp22,514,439,000 only or equivalent to RM7,381,783. The said agreement is pending the completion of the conditions precedent as stated in the said agreement. For further details, please refer to our announcements to Bursa Securities on 1 November 2012.

b) Status of utilisation of proceeds

As at 31 December 2013, the proceeds from the disposals of the entire equity interest in Sachiew Plantations Sdn. Bhd. and Empresa (M) Sdn. Bhd. have been utilised as follows:-

<u>Purpose</u>	Proposed Amount RM'000	Utilised RM'000	Expected utilisation period	Balance/ Deviation RM'000	Explanations
Repayment of bank borrowings	17,251	17,251	24 months	-	-
Oil palm development expenditure in Indonesia	23,000	23,000	24 months	-	-
Estimated expenses for the proposals	2,000	1,421	6 months	579	Overestimated
Working capital	43,500	43,500	12 months	-	-
Future investments	182,307	168,223	24 months	14,084	-
Total	268,058	253,395			

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

19. Borrowings and debt securities

Group borrowings as at 31 December 2013:-

<u>Secured borrowings</u>	Current RM'000	Non-current RM'000	Total RM'000
Ringgit Malaysia	2,937	641	3,578
US Dollar	-	-	-
Total	2,937	641	3,578

20. Derivative financial instruments

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

21. Material litigation

There were no material litigations as at the date of issue of these interim financial statements other than the following:-

Modipalm Engineering Sdn. Bhd., a wholly owned subsidiary, has taken a civil suit as plaintiffs in relation to the loss of their cargo on a voyage to Bintulu Port on board a dumb barge "Bina II" on tow by a tugboat "Bina I" against the insurer who insured the cargo in the Kuching High Court vide Suit No: 22-238-08-I. The High Court in Kuching decided against the plaintiff and the plaintiff filed an appeal against the High Court's decision. On 29 August 2013, the Court of Appeal allowed the appeal and the High Court's decision has been set aside. The defendant has since then filed a notice of motion for leave to appeal to the Federal Court. No date for the hearing of the notice has been fixed yet.

22. Dividend payable

No dividend has been proposed or declared for the current quarter.

23. 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. There were no diluted earnings per share as there were no potentially dilutive ordinary shares.

	Individual quarter		Cumulative quarter	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Weighted average number of ordinary shares in issue ('000)	265,299	268,080	265,299	268,080
Basic earnings per share (sen)	14.57	9.15	37.00	89.38

CB INDUSTRIAL PRODUCT HOLDING BERHAD (428930-H)
(Incorporated in Malaysia)

24. Comprehensive Income Disclosure

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

	Individual quarter		Cumulative quarter	
	31/12/2013 RM'000	31/12/2012 RM'000	31/12/2013 RM'000	31/12/2012 RM'000
Interest income	(445)	(1,722)	(1,916)	(4,019)
Interest expense	87	34	216	355
Depreciation/Amortization	1,369	1,762	4,550	4,170
Bad debts recovered/ Reversal of allowance for doubtful debts	(1,321)	(420)	(1,321)	(420)
Allowance for doubtful debts/Bad debts written off	3,276	794	3,278	794
(Gain)/Loss on disposal of property, plant and equipment	(1)	569	(66)	569
Inventories written down	-	-	-	-
Plant and equipment written off	-	2	15	2
Fair value (gain)/loss on :-				
- Derivative instruments	-	(433)	-	(433)
- Short term investments	356	(1,023)	240	(1,023)
(Gain)/Loss on foreign exchange	(7,743)	1,968	(5,430)	3,053

25. Realized and unrealized profits/losses

	31/12/2013 RM'000	31/12/2012 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realized	456,925	366,076
- Unrealized	(22,443)	(1,992)
	434,482	364,084
Total share of retained profits from associated companies:-		
- Realized	41,962	38,682
- Unrealized	(5,484)	(5,330)
	36,479	33,352
Total share of accumulated losses from a jointly controlled entity:-		
- Realized	4,254	2,258
- Unrealized	(237)	(237)
	4,017	2,021
Less : Consolidation adjustments	(40,757)	(36,873)
Total group retained profits as per consolidated accounts	434,221	362,584

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 25 February 2014.