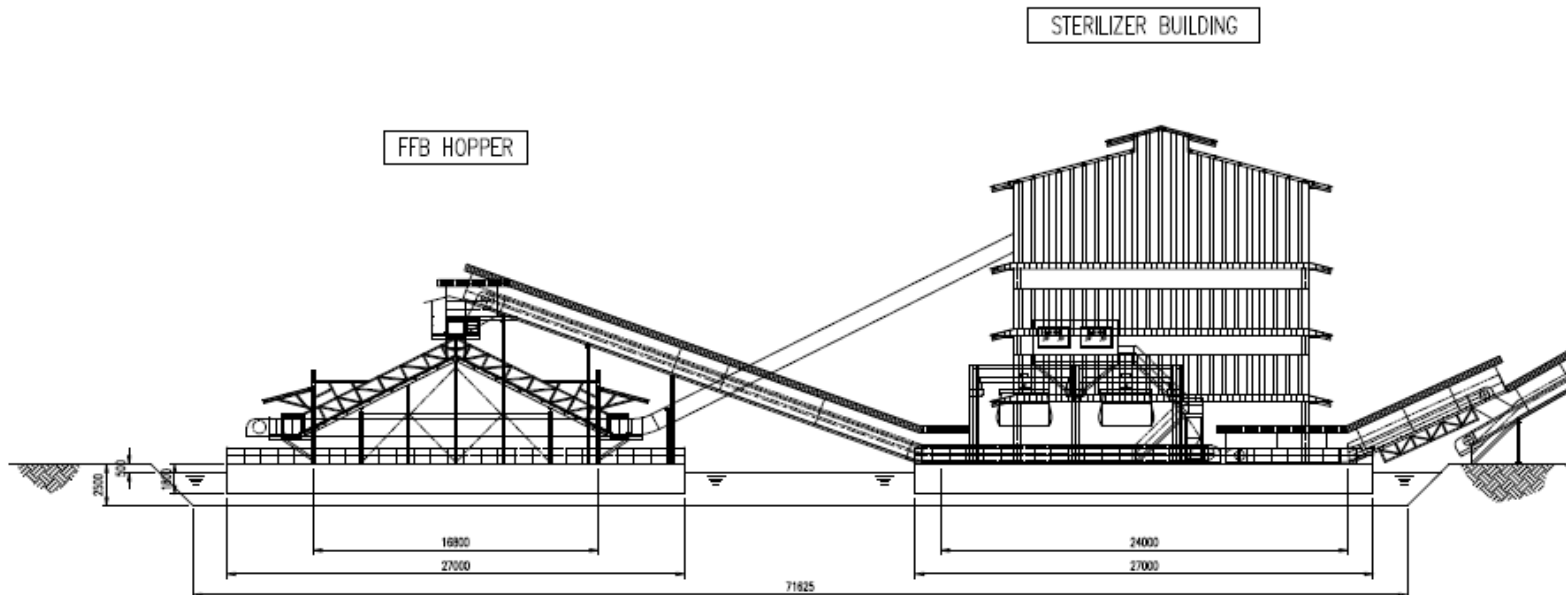




# CB Industrial Product Holding Berhad

*Equipping Palm Oil Industries Around The World*

## Fourth Quarter 2018 Results Update



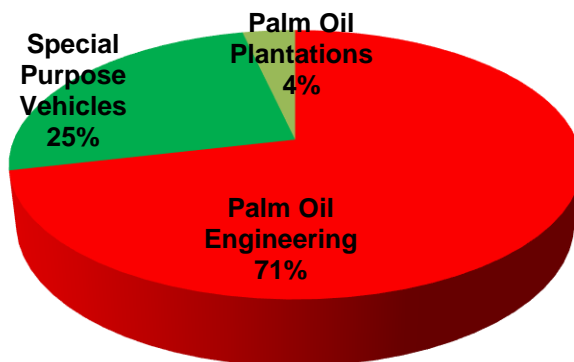
## Quarterly Review

Continuing Operations	Quarter ended 31 Dec		% change	12 months period ended 31 Dec		% change
	2018	2017		2018	2017	
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Revenue	108,124	259,866	(58.4)	481,117	704,058	(31.7)
Profit from operations	9,277	24,419	(62.0)	98,805	88,541	(11.6)
Share of results of associates and joint ventures	911	2,260	(59.7)	(1,889)	16,652	(111.3)
Profit before taxation	8,217	25,863	(68.2)	92,481	102,869	(10.1)
Profit after taxation	2,756	9,323	(70.4)	63,817	66,977	(4.7)

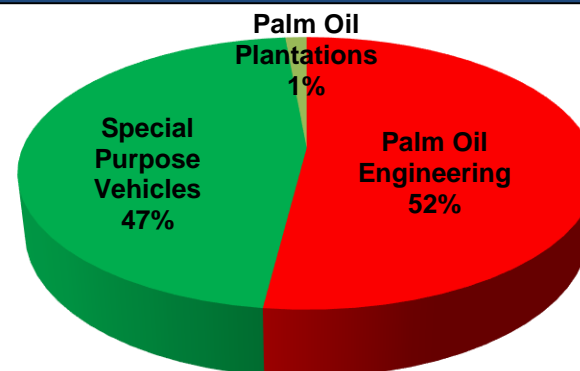
- Revenue for the quarter ended 31 December 2018 decreased by 58.4% mainly due to lower project billings from both 1) palm oil equipment and engineering division and 2) special purpose vehicle division.
- Profit before taxation (PBT) for the quarter ended 31 December 2018 decreased by 68.2%. This was due to some cost overrun in the engineering division in this quarter, which resulted in a decrease in margins.
- PBT was also dragged by lower share of results from associates and joint-venture (decreased 10.8% and 328.2% respectively) due to lower prices and production of palm products during the quarter.

## Revenue Breakdown

12 months period ended 31 Dec 2018



12 months period ended 31 Dec 2017

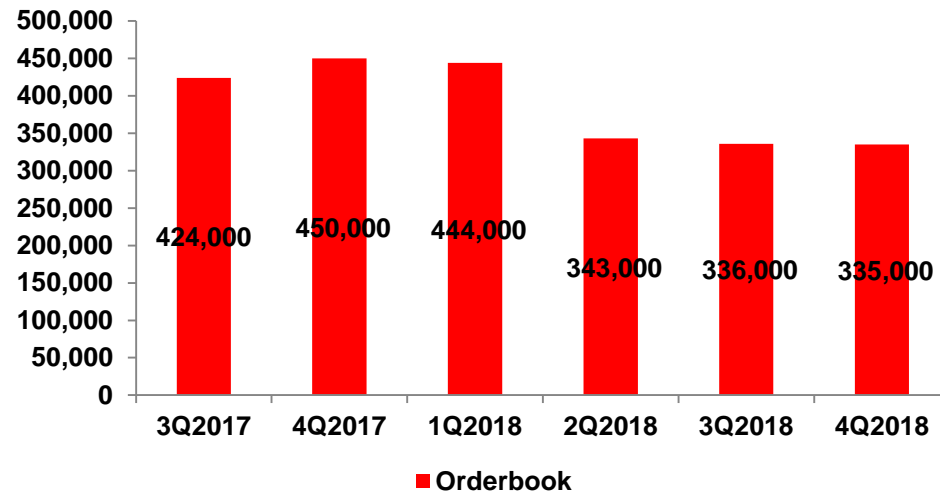


## Profit Before Taxation Breakdown

Profit Before Taxation	12 months period ended 31 December		% change
	2018 (RM'000)	2017 (RM'000)	
Palm Oil Engineering	51,422	58,819	(12.6)
Palm Oil Plantations	(1,374)	(8,400)	(83.6)
Special Purpose Vehicles	44,322	35,798	23.8
Share of results of associates and jointly-controlled entity	(1,889)	16,652	(111.3)
<b>Total</b>	<b>92,481</b>	<b>102,869</b>	<b>(10.1)</b>

## Palm Oil Engineering

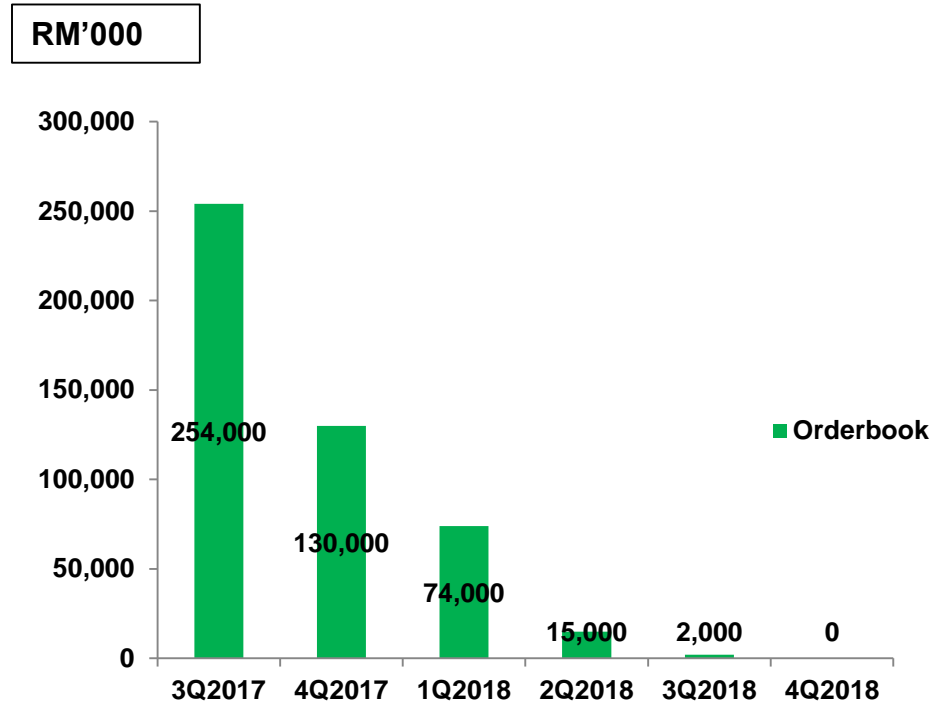
RM'000



- Outstanding orderbook as at 31 December 2018 stands at RM335million
- The orderbook is expected to bode well for the performance of the palm oil engineering sector for the financial year ending 2019 and 2020



## Special Purpose Vehicles



- A 49% owned subsidiary, our SPV arm is primarily in bulky supply of specialised vehicles for government authorities and agencies. Although the entire orderbook has finished as at 31 December 2018, we continue to perform regular maintenance, refurbishment and overhaul jobs for our existing clients
- We will continue to pursue business developments with government bodies not only in Malaysia, but also in overseas market through marketing of existing core product lines
- The government's budget and its timing are key external factors affecting the business operations

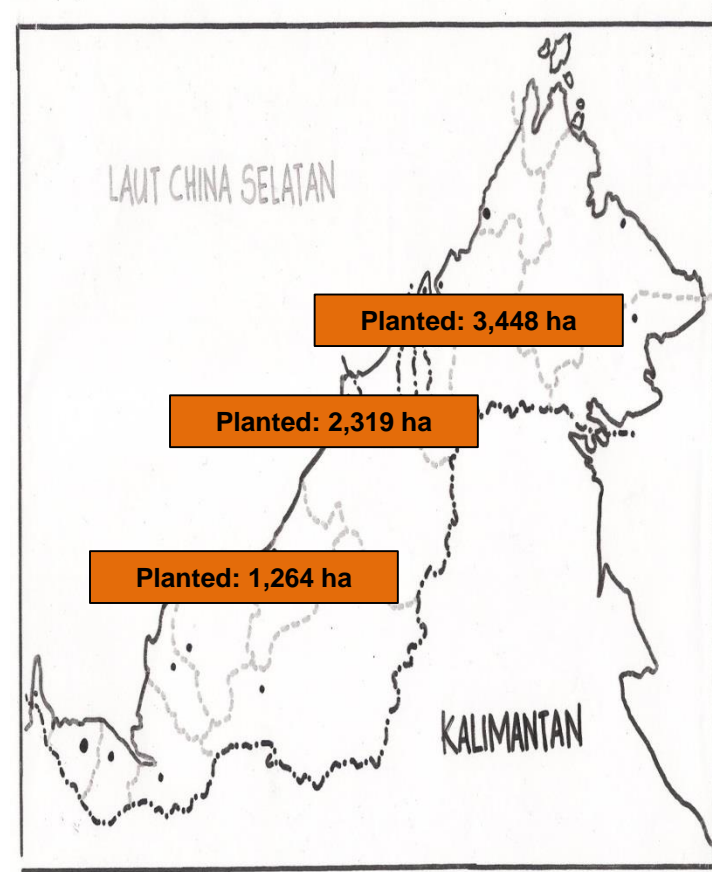
## Palm Oil Plantations - Indonesia

- With current landbank of approximately 32,000 ha in Central Kalimantan, Indonesia aggressive plantation development has commenced since first half of 2013
- Of the 32,000 ha in Indonesia, approximately 13,000 ha has been planted as at 31 December 2018
- Our strategy for the oil palm plantation in Indonesia remains to complete our planting development. With the commissioning of the palm oil mill in late 2018, we will add another revenue stream to our Group which is negligible at present
- Movement in prices of crude palm oil products is the main external factor affecting the business operations of our oil palm plantation division



## Oil Palm Plantation – Associates and JV

- With effective planted area attributable to CBIP of 7,000 ha, the associates and JV plantation assets has posted a combined profit of RM0.911 million for the quarter ended 31 December 2018, compared to a profit of RM2,260 million in the corresponding quarter in 2017. The decrease is mainly due to lower prices and production of palm products.
- With a non-controlling interest, performance of the associates and JV plantation assets is to a large extent, dependent upon the crude palm oil selling price and yield.





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