



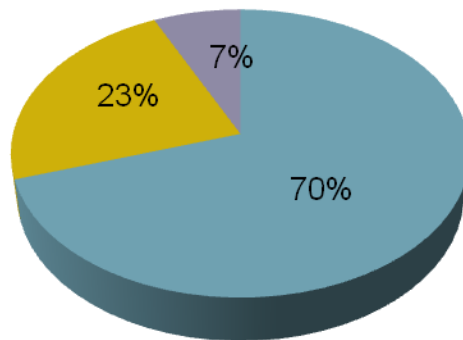
# CB Industrial Product Holding Berhad

## Equipping Palm Oil Industries Around The World



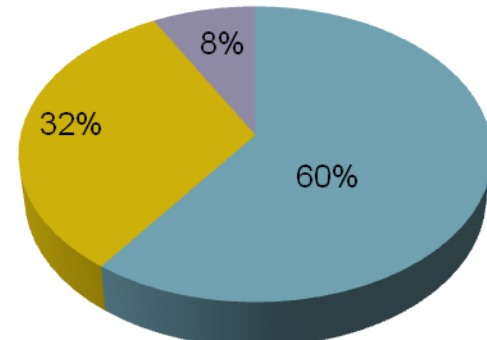
**Investor Update 2010**  
**Financial Highlights for Period**  
**Ended 31 december 2010**  
**(Unaudited)**

- **CBIP is leading engineering based company specializing in the construction and engineering of palm oil mills**
- **Core strength is its engineering expertise and experience in oil mills construction**
- **Successfully invented and commercialized Modipalm mill with patented continuous sterilization process**
  - **Modipalm mill patented in Malaysia and Indonesia till 2021**
- **Modipalm was granted pioneer status (Income tax free) for 10 years till 2015**
- **Other business activities in the group include palm oil plantation & milling and retrofitting special purpose vehicles**
- **Group segmental revenue and PBT for FY2010 (exclude Associate & JV) :-**



Revenue

- Palm oil mill equipment & engineering
- Palm oil plantation & milling
- Special purpose vehicles



PBT



# Group Financial Highlights

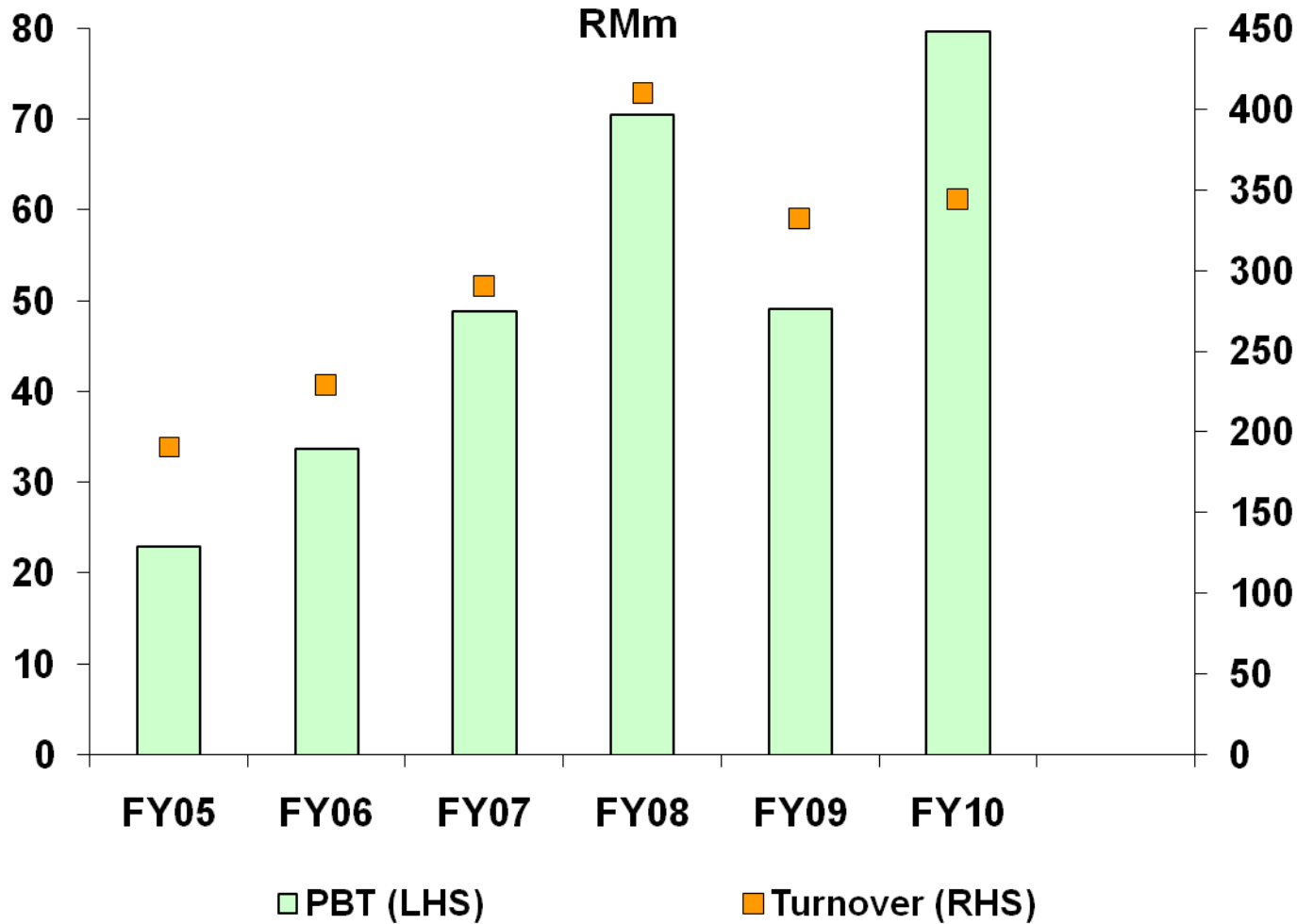


FYE Dec (RMm)	FY10	Chg %	FY09	FY08	Chg %
Revenue	344.3	+3.9	331.5	409.9	-19.1
Results-Associates & JV	15.9	+389.1	(5.5)	8.8	-161.7
PBT	79.7	+62.3	49.1	70.6	-30.3
Net Profit	69.7	+61.3	43.2	62.9	-31.4
Net Profit After MI	68.2	+68.8	40.4	60.7	+33.5
PBT Margin (%)	23.1		14.8	17.2	
Net Profit Margin (%)	19.8		13.0	15.3	

- FY10 - Improved result from plantation, associates & JV due to higher CPO price
- FY09 - Plantation including associates & JV affected by lower CPO price
- Tax savings due to pioneer status granted to Modipalm



# Group Financial Highlights



# Segmental – Engineering and Contracting\*



FYE Dec 31 (RMm)	FY10	Chg %	FY09	FY08	Chg %
Turnover	188.3	+15.5	163.0	221.0	-26.2
Gross profit	38.5	+13.2	34.0	40.6	-16.3
Gross margin	20.5		20.8	18.4	

\* Refers to engineering and contracting works for palm oil mills, and other related projects

- **Sizeable unbilled portion of about RM356m as at end Dec 2010**
  - Equivalent to 1.9 x FY10 project turnover
  - More mechanical projects with higher margin
- **Expect higher revenue for FY2011 in view of sizable unbilled contract value**
- **FY10 – Lower revenue due to elimination of inter-co billing for the construction of Empresa mill.**



# Current Orderbook (as at Dec 10)



Projects in hand	Value (RMm)	% Recognition	Unbilled sales (RMm)
<b>Palm oil mill construction</b>			
- Malaysia	253.2	78.1	55.5
- Indonesia	470.2	53.6	218.4
- Other countries	174.0	67.0	57.5
<b>Boilers</b>	122.3	79.4	25.2
<b>Total</b>	<b>1,019.7</b>		<b>356.6</b>

- **Completed over 40 Modipalm mills since its commercialization**



# Segmental - Palm Oil Plantation & Milling



In RMm	FY10	FY09	FY08*
Turnover	78.4	60.6	53.2
Gross profit	29.4	21.4	27.0
PBT	20.5	14.6	21.8
Production statistics:-			
-Mature area (ha)	7,240	7,240	7,240
-Yield per ha (t)	19.5	19.8	20.1
-FFB (t)	141,161	143,339	145,194
-Avg FFB price	526	424	541
-Avg CPO price (RM/mt)	2,696	-	-
Share of result of associates/JV-PAT	13.8	(5.1)	6.9

\* Proportioned for additional new Subsidiaries/Associates/JV during the year

- CPO price improved from a drop in FY09
- In-house milling operation
  - Sachiew mill (30MT/hr) commenced operation in FY09
  - Empresa mill (45MT/hr) commenced operation in 2H10
- Maiden in-house Modipalm mill strives to set industry benchmark
  - Environmental friendly standard
  - Better quality of oil
  - Better OER performance
- New plantation development in Central Kalimantan
  - Planted 1300 ha



# Palm Oil Plantation & Milling



Structure	Subsidiaries			Associates		JV	Total
Company	Sachiew	Empresa	SLR	KKJ	BBSB	SGSB	Group
Equity interest	100%	100%	85%	30%	30%	50%	
Total land area (ha)	3,720	5,936	8,000	16,567	4,269	5,567	44,059
Total planted area (ha)	2,678	4,880	1300*	12,104	4,214	4,638	29,814
Share of effective planted area (ha)	2,678	4,880	765	3,631	1,264	2,319	15,877
Location	Sarawak Malaysia	Sarawak Malaysia	Kalimantan Indonesia	Sarawak Malaysia	Sarawak Malaysia	Sarawak Malaysia	-
Palm oil mill - Capacity	Sachiew 30MT	Empresa 45MT**	-	Trusan 40MT	-	Judan 40MT	-

\* Development in progress, Plantable area of 5000-6000 ha

\*\* Completed in 2H10



# Group Balance Sheet

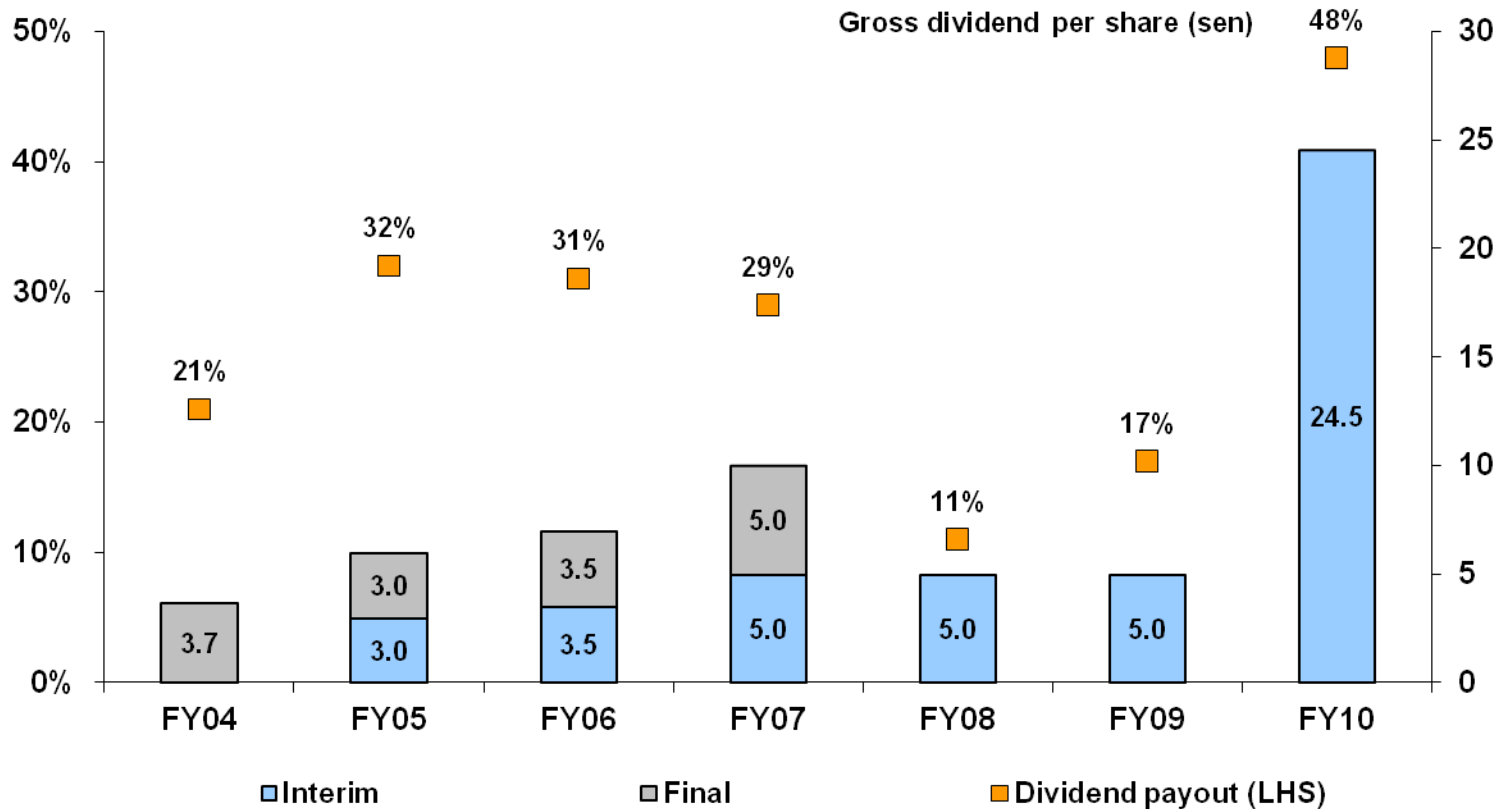


FYE Dec 31 (RMm)	FY10	FY09
Property, plant & equipment and Investments	336.9	289.9
Goodwill	16.3	16.3
<b>LT Assets</b>	<b>353.2</b>	<b>306.2</b>
Inventories	39.9	31.3
Receivables	113.6	132.1
Cash & Equivalents	25.5	28.9
<b>Current Assets</b>	<b>179.0</b>	<b>192.3</b>
Payables	78.3	85.8
Borrowings	58.4	56.1
<b>Current Liabilities</b>	<b>136.7</b>	<b>141.9</b>
Share capital	68.8	68.8
Reserves	222.4	179.6
<b>Shareholders' Fund</b>	<b>291.2</b>	<b>248.4</b>
Minority interest	7.6	6.9
Borrowings	80.1	90.6
Other deferred liabilities	16.6	10.7
<b>LT Liabilities</b>	<b>96.7</b>	<b>101.3</b>

- New plantation cultivation in Kalimantan
- Construction of Empresa mill

- Improved net gearing ratio at about 39%





- **To maintain one-third of net profit as dividend**
- **Paid 2 interim dividend of 10% each for FY2010**
- **Declared 3<sup>rd</sup> interim share dividend of 1 for 20 for FY2010**
- **Average dividend payout of 29 % for past 5 years**



- **Focus on increasing orderbook for Modipalm mills**
  - Existing orderbook is about 1.9 x FY2010 project turnover
- **Developing new market segment - older and under-performing mills**
  - Modipalm mill offers an effective solution for replacement and upgrading
- **Capacity expansion in place to accommodate strong demand**
- **Oil palm plantation**
  - Improving FFB yield and higher efficiency
  - Further expansion with new cultivation in Kalimantan, Indonesia.
- **Construction of own mill**
  - Adopting environmentally friendly new Modipalm technology
  - Maiden milling profit from FY09 onwards for Sachiew's mill
  - Empresa's new mill commenced in 2H10

- Thank You -

