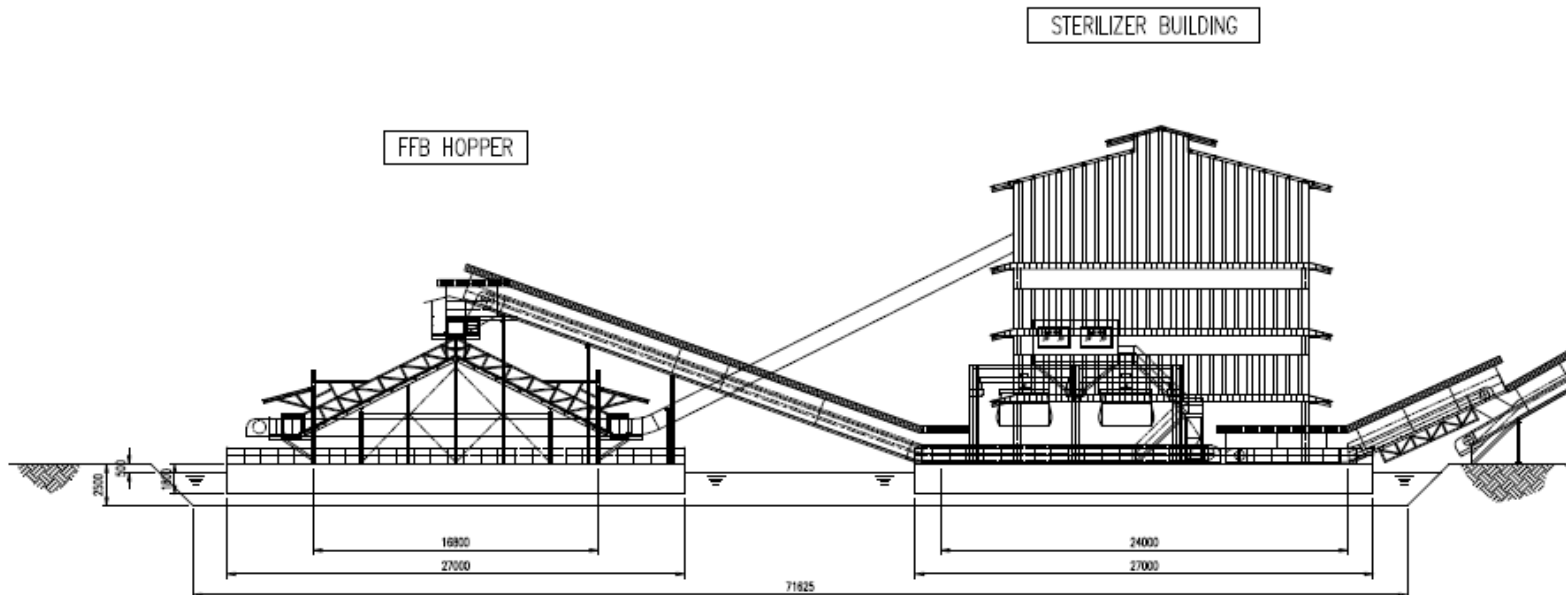




# CB Industrial Product Holding Berhad

*Equipping Palm Oil Industries Around The World*

## First Quarter 2018 Results Update



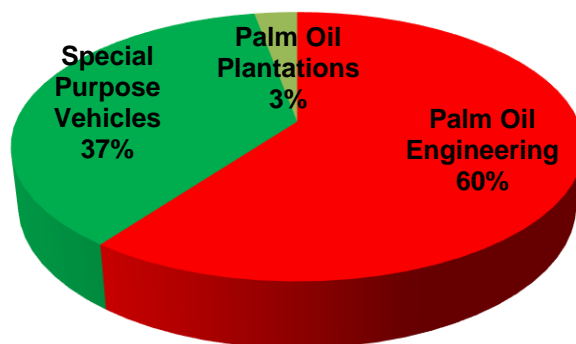
## Quarterly Review

Continuing Operations	Quarter ended 31 March		% change	3 months period ended 31 March		% change
	2018	2017		2018	2017	
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Revenue	131,290	132,337	(1.00)	131,290	132,337	(1.00)
Profit from operations	25,050	28,505	(12.12)	25,050	28,505	(12.12)
Share of results of associates and joint ventures	432	6,239	(93.08)	432	6,239	(93.08)
Profit before taxation	24,944	34,317	(27.31)	24,944	34,317	(27.31)
Profit after taxation	20,071	26,902	(25.39)	20,071	26,902	(25.39)

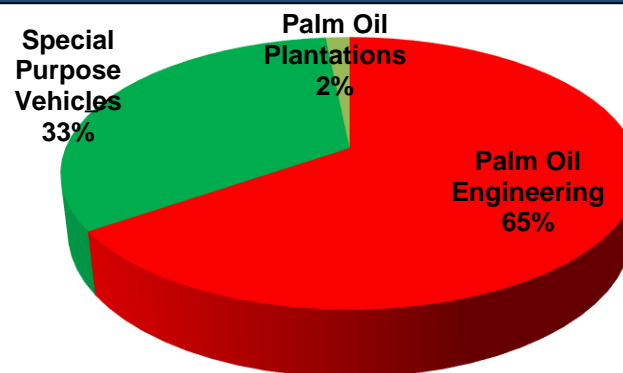
- Revenue for the quarter ended 31 March 2018 decreased marginally by 1.00% mainly due to lower project billings from the palm oil equipment and engineering division. This is partially mitigated by higher revenue recognition in the special purpose vehicle division.
- Profit before taxation for the quarter ended 31 March 2018 decreased 27.31% mainly due to lower project billings from both palm oil engineering and special purpose vehicle division, plus a lower recognition of share of associates and joint-venture (decreased 91% and 99% respectively) due to lower prices and production of palm products during the quarter.

## Revenue Breakdown

3 months period ended 31 March 2018



3 months period ended 31 March 2017

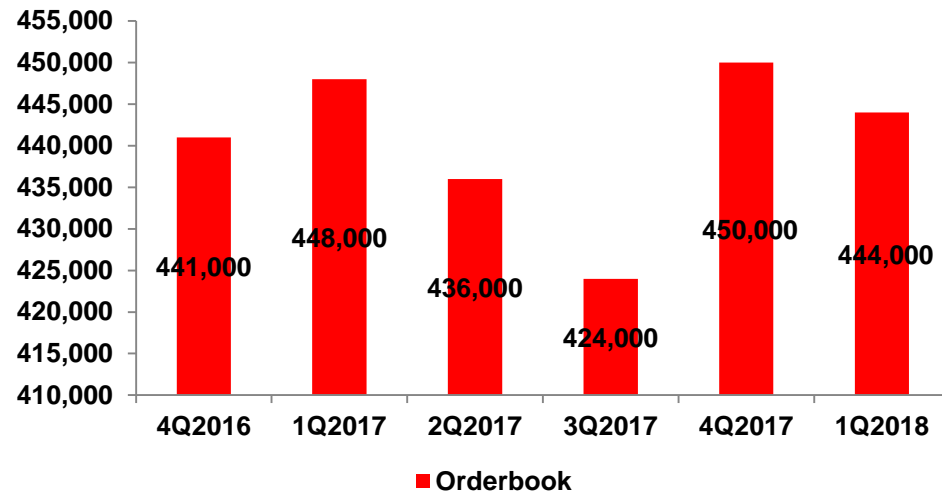


## Profit Before Taxation Breakdown

Profit Before Taxation	3 months period ended 31 March		% change
	2018 (RM'000)	2017 (RM'000)	
Palm Oil Engineering	19,304	23,078	(16.35)
Palm Oil Plantations	(487)	(730)	(33.29)
Special Purpose Vehicles	5,695	5,730	(1.00)
Share of results of associates and jointly-controlled entity	432	6,239	(93.08)
<b>Total</b>	<b>24,944</b>	<b>34,317</b>	<b>(27.31)</b>

## Palm Oil Engineering

RM'000

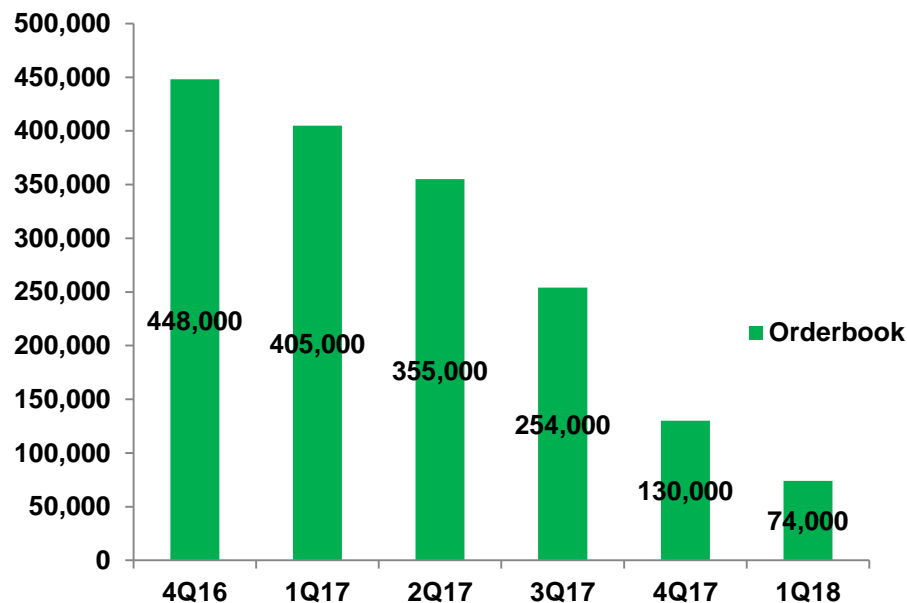


- Orderbook as at 1Q18 stands at RM444 million
- The orderbook is expected to bode well for the performance of the palm oil engineering sector for the financial year ending 2018 and 2019



## Special Purpose Vehicles

RM'000



- A 49% owned subsidiary, our SPV arm is primarily in bulky supply of specialised vehicles for government authorities and agencies. Orderbook remains at RM74 mil as at 1Q18.
- 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 movement of EUD against MYR as well as the government's budget are external factors affecting the business operations of our SPV division

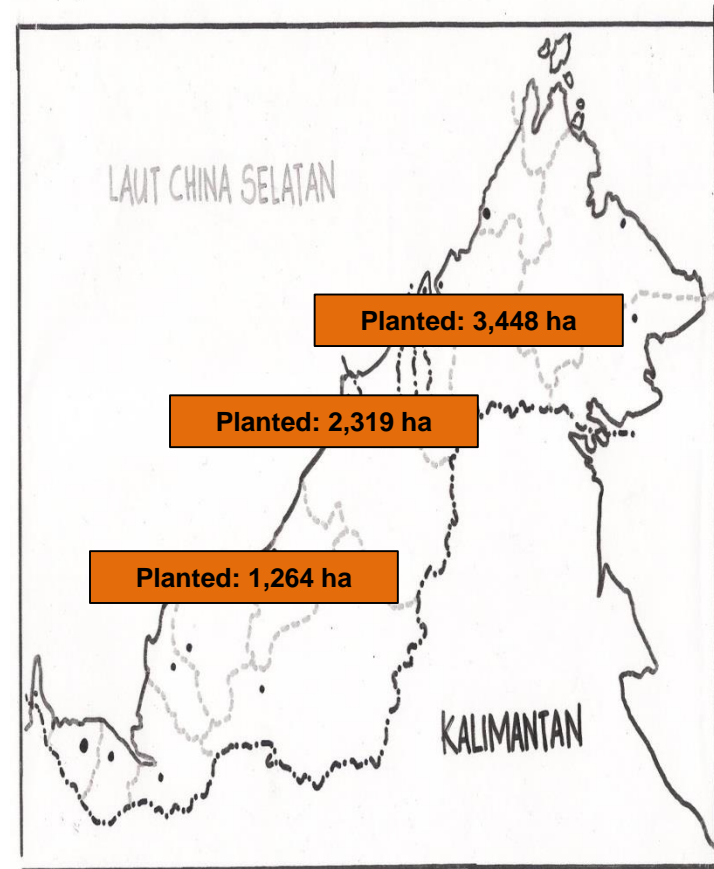
## Palm Oil Plantations - Indonesia

- 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 11,574 ha has been planted as at March 2018 with approximately 2,000 ha targeted to be planted for the year 2018
- Our strategy for the oil palm plantation in Indonesia remains to complete our planting development as well as to work towards the commissioning of our first palm oil mill by end 2018/early 2019. With the commissioning of the palm oil mill, 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 RM0.432 million for the quarter ended 31 March 2018, compared to a profit of RM6.2 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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