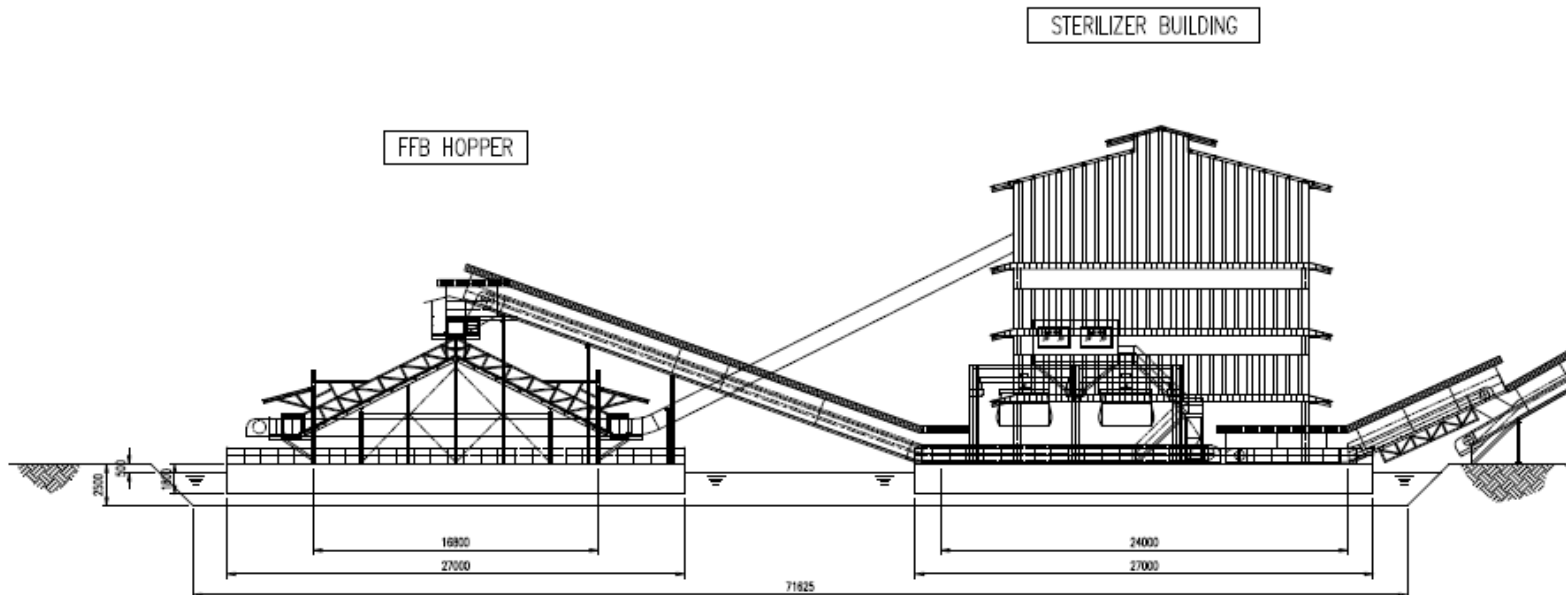




CB Industrial Product Holding Berhad

Equipping Palm Oil Industries Around The World

Second Quarter 2020 Results Update



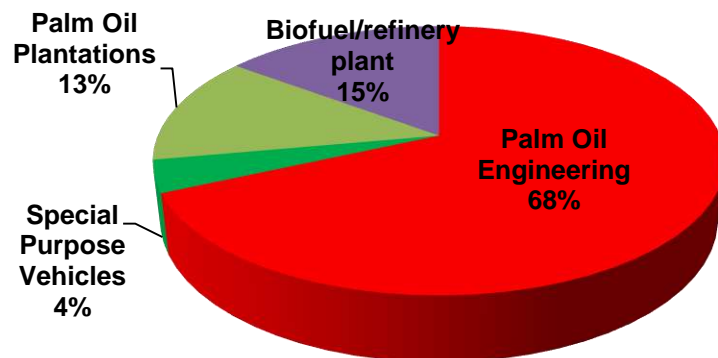
Quarterly Review

Continuing Operations	Quarter ended 30 June		% change	6 months period ended 30 June		% change
	2020	2019		2020	2019	
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Revenue	104,251	92,425	12.8	212,276	178,327	19.0
Profit from operations	8,382	1,781	78.8	27,450	22,458	22.2
Share of results of associates and joint ventures	(489)	(2,252)	(78.3)	(1,992)	(5,983)	(66.7)
Profit before taxation	5,092	(2,873)	(277.2)	20,051	11,712	71.2
Profit after taxation	4,025	562	616.2	16,658	10,833	53.8

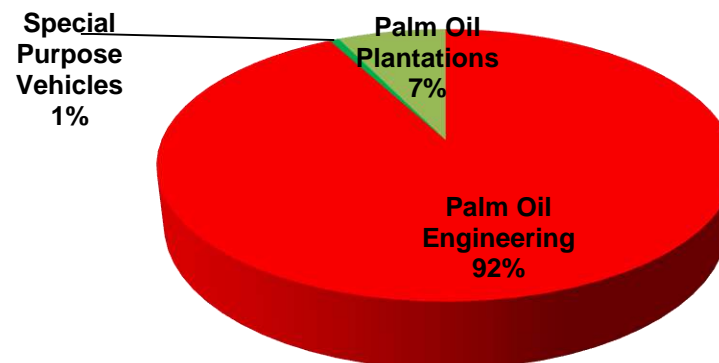
- Revenue for the quarter ended 30 June 2020 increased 12.8% yoy mainly due to a new stream of revenue generated by the biofuel refinery segment, as well as the increase in revenue from the palm oil plantations and special purpose vehicles segment
- Profit before taxation for the quarter ended 30 June 2020 returned into profitability mainly due to new contribution generated by the biofuel refinery segment along with lower losses from the palm oil plantations as well as profit recovery from SPV segment. The associates and joint venture also improved with a lower combined share of losses of RM0.489mil (vs RM2.873mil yoy) due to higher prices and production of palm products during the quarter

Revenue Breakdown

6 months period ended 30 June 2020



6 months period ended 30 June 2019



Profit Before Taxation Breakdown

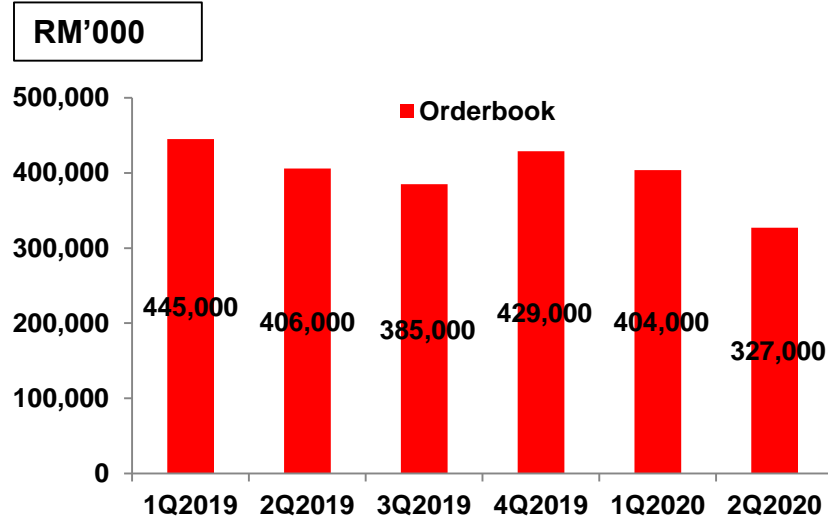
Profit Before Taxation

6 months period ended 30 June

% change

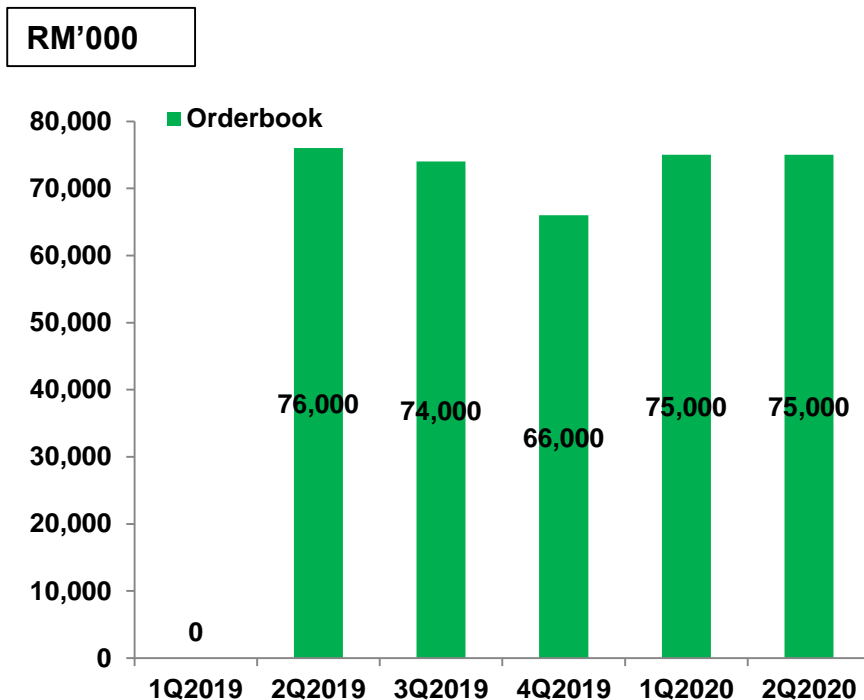
	2020	2019	
	(RM'000)	(RM'000)	
Palm Oil Engineering	29,688	33,430	(11.2)
Palm Oil Plantations	(7,378)	(14,400)	(48.8)
Special Purpose Vehicles	616	(1,335)	(146.1)
Biofuel/refinery plant	(883)	-	-
Share of results of associates and jointly-controlled entity	(1,992)	(5,983)	(66.7)
Total	20,051	11,712	71.2

Palm Oil Engineering



- 2Q20 revenue is flattish yoy as the project billings and sale of palm oil equipment are affected by the restriction of global movement following the outbreak of COVID-19 in 2Q20
- Orderbook as at June 2020 stands at RM327 million, representing 1.3x of last year billing
- The orderbook is expected to bode well for the performance of the palm oil engineering sector for the financial year ending 2020 and 2021
- Continuous efforts are made to secure more contracts amid volatile macro environment ie movement restriction order and travel bans in different countries

Special Purpose Vehicles



- A 49% owned subsidiary, our SPV arm is primarily in bulky supply of specialised vehicles for government authorities and agencies
- The higher revenue and profit in the special purpose vehicles segment were mainly due to higher project implementation in 2Q20.
- We continue to perform regular maintenance, refurbishment and overhaul jobs for our existing clients, which are not included in the orderbook
- Our recent contract award from Malaysia Airports Sdn Bhd, as well as other smaller contracts in 2020 are expected to contribute positively to the Group in the near to medium future

Palm Oil Plantations - Indonesia

- The palm oil plantations segment reported higher revenue by 21.6% yoy mainly due to higher revenue generated from milling operation (mill operation commenced in January 2020). The segment incurred losses of RM7.5mil due to under utilization of milling and lower FFB production during the quarter
- 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 13,502 ha has been planted as at 30 June 2020
- Movement in prices of crude palm oil products is the main external factor affecting the business operations of our oil palm plantation division



Biofuel/Refinery Plant

TPG Oil & Gas (100% owned subsidiary)

- TPG is located in Tanjung Langsat, Johor Bahru. This plant has the capacity to produce 120k mt/year of biodiesel, as well as refinery capacity of 134k mt/year
- Utilization rate for our refinery plant in 1H20 was 58%. We expect biodiesel production to begin in September 2020
- For 2Q20, this segment recorded a lower revenue of RM8.3mil and a RM3.2mil losses due to lower sales volume during the MCO period, but we expect recovery in 2H20
- Targets to secure more orders/contracts within the pre-treatment/biofuel/refinery segments in 2020

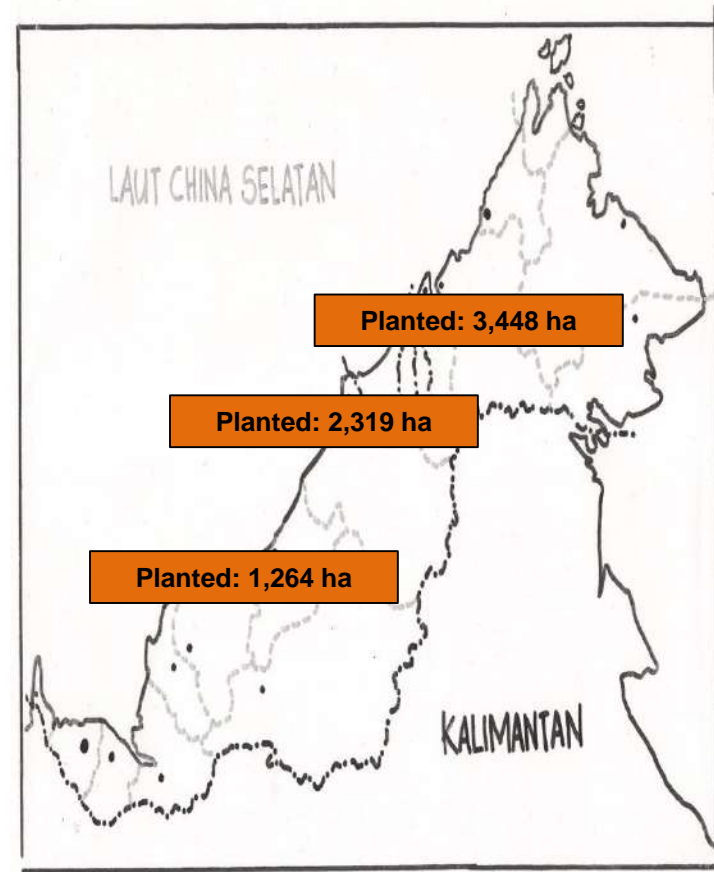
Gulf Lubes (70% owned entity)

- Refurbishment has been put on hold amid dispute with remaining 30% shareholders. Currently filing a Winding-Up Petition caused by the deadlock



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 losses of RM0.489 million for 2Q20, compared to a losses of RM1.750 million in 2Q19. The improvement was due to higher 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.



Further Information



Registered Office

CB Industrial Product Holding Berhad
Registration No. 199701013434 (428930-H)
No 1, Jalan Astaka U8/83
Section 8, Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan

Telephone No.: 03 7845 4115
Facsimile No.: 03 7845 4117
E-mail: info@cbip.com.my
Website: www.cbip.com.my

Contact Person

Jonathan Lai
Investor Relations & Corporate Affairs
CB Industrial Product Holding Berhad

Telephone No.: 03 7845 4115
Facsimile No.: 03 7845 4117
E-mail: jonathanlai@cbip.com.my

Disclaimer

Certain statements in this presentation are based on historical results which may not be reflective of future results. Other statements, including without limitation, those regarding our future prospects, strategies and objectives of our Group, which are forward-looking in nature, are subject to uncertainties and contingencies. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will subsequently materialise. The inclusion in this presentation should not be regarded as a representation or warranty by our Group or our management team that the plans and objectives of our Group will be achieved.