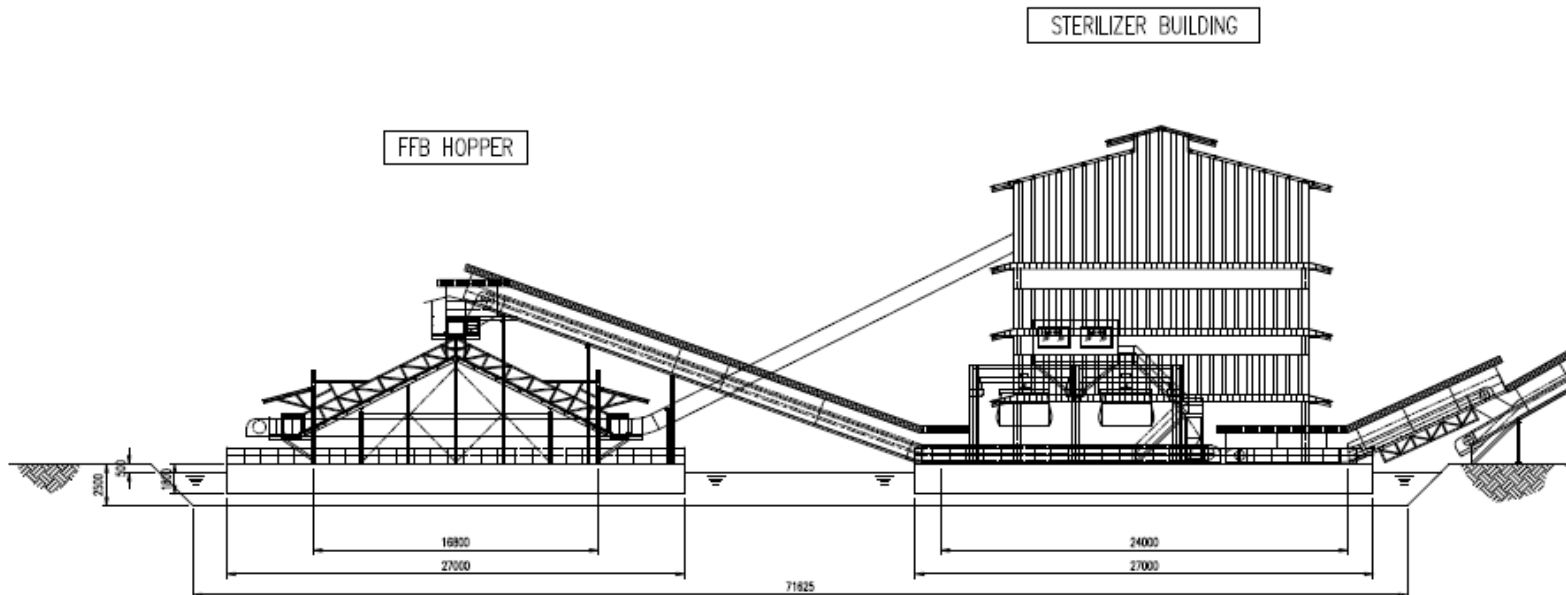




CB Industrial Product Holding Berhad

Equipping Palm Oil Industries Around The World

Third Quarter 2020 Results Update



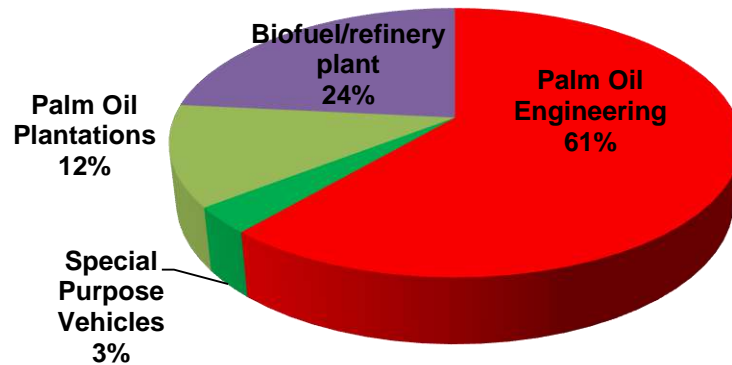
Quarterly Review

Continuing Operations	Quarter ended 30 September		% change	9 months period ended 30 September		% change
	2020	2019		2020	2019	
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Revenue	156,418	101,916	53.5	368,694	280,243	31.6
Profit from operations	15,821	6,252	153.1	43,271	28,710	50.7
Share of results of associates and joint ventures	2,088	(1,301)	(260.5)	96	(7,284)	(101.3)
Profit before taxation	15,264	2,237	582.3	35,315	13,949	153.2
Profit after taxation	(2,589)	829	(412.3)	14,069	11,662	20.6

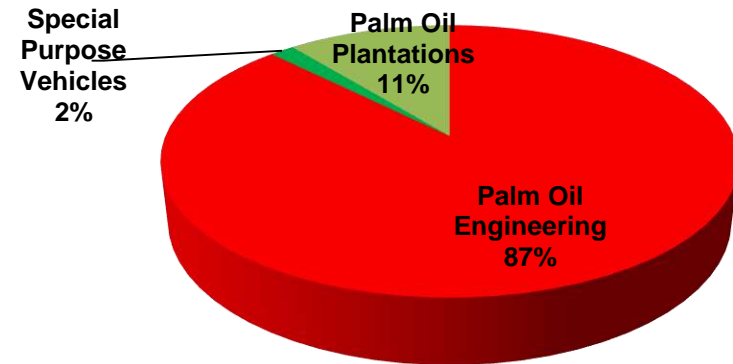
- Revenue for the quarter ended 30 September 2020 increased 53.5% yoy mainly due to a new stream of revenue generated by the biofuel refinery segment, as well as the increase in revenue from the palm oil plantations and special purpose vehicles segment
- Profit before taxation for the quarter ended 30 September 2020 increased due to higher contribution from the palm oil equipment and engineering segment, lower losses from the palm oil plantations and improved share of associates and joint venture of RM2.088 mill (vs losses of RM1.301mil yoy) due to higher prices and production of palm products during the quarter

Revenue Breakdown

9 months period ended 30 September 2020



9 months period ended 30 September 2019



Profit Before Taxation Breakdown

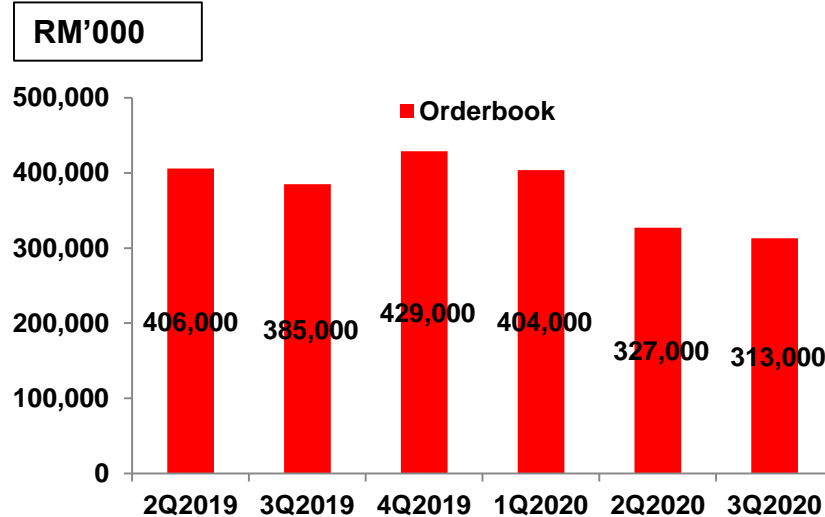
Profit Before Taxation

9 months period ended 30 September

% change

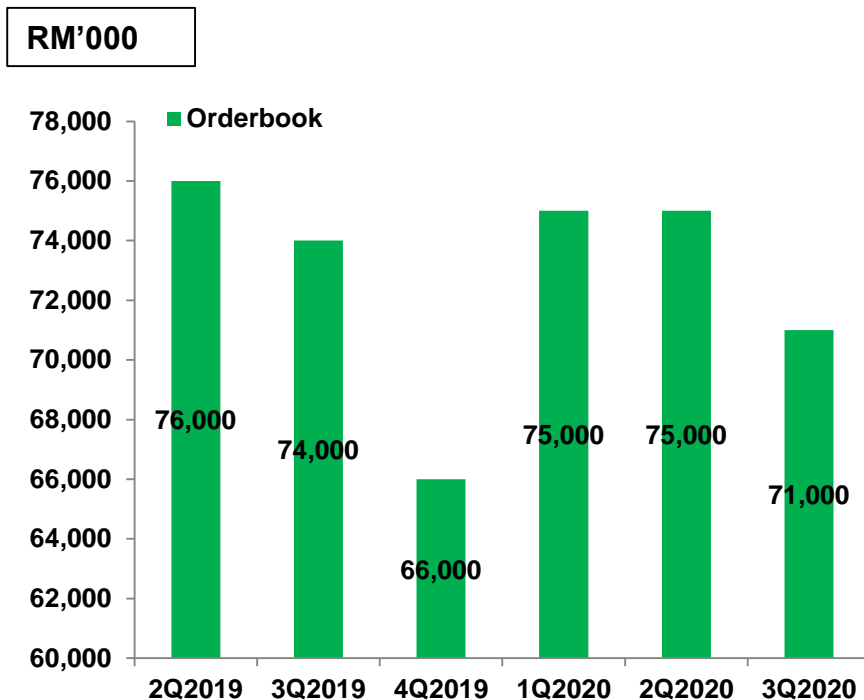
	2020 (RM'000)	2019 (RM'000)	
Palm Oil Engineering	59,850	38,521	55.4
Palm Oil Plantations	(11,604)	(17,266)	(32.8)
Special Purpose Vehicles	(10,305)	(22)	467.4
Biofuel/refinery plant	(2,722)	-	-
Share of results of associates and jointly-controlled entity	96	(7,284)	(101.3)
Total	35,315	13,949	153.2

Palm Oil Engineering



- 3Q20 revenue remains 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 March 2020
- Orderbook as at September 2020 stands at RM313 million
- 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
- Despite higher revenue in 3Q20, this segment slipped into losses due to underprovided tax in previous years (one-off P&L impact)
- 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 9M20 revenue by 45.8% yoy mainly due to higher revenue generated from milling operation (mill operation commenced in January 2020). However, despite higher revenue yoy, this segment incurred losses of RM4.2mil 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 September 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 3Q20 was 60%, mainly selling RBD to both local and export markets. Biodiesel production is postponed to January 2021
- In 3Q20, this segment recorded a higher revenue of RM54.9mil (vs RM8.5mil in 2Q20) stemming from higher production volume. However, we incurred RM1.8mil losses due to thinner gross margin achieved in the quarter
- Targets to secure more orders/contracts within the pre-treatment/biofuel/refinery segments in the near future

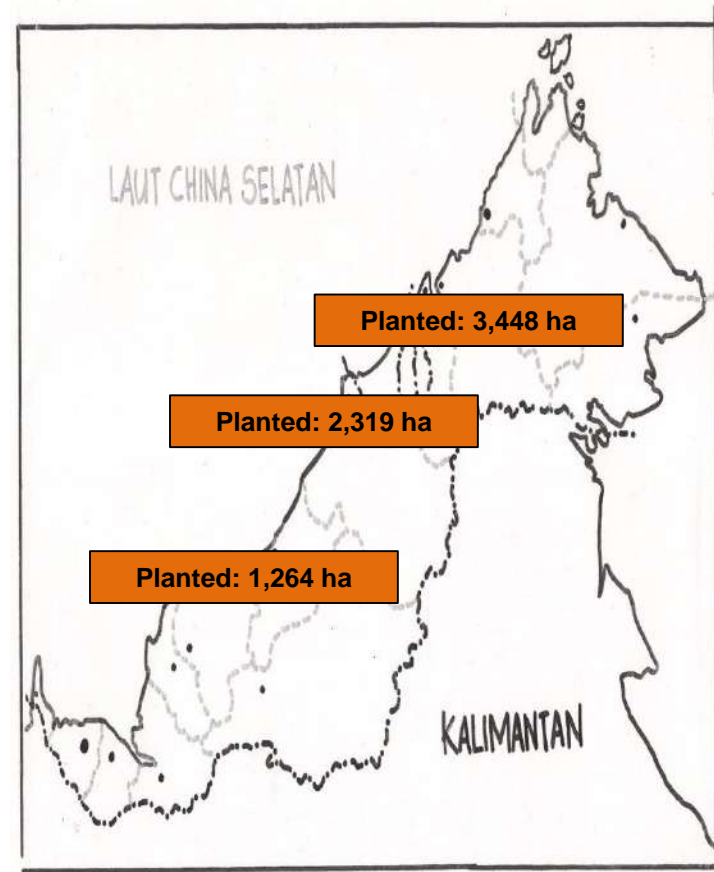
Gulf Lubes (70% owned entity)

- 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 profit of RM2.088 million for 3Q20, compared to losses of RM1.301 million in 3Q19. 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.



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