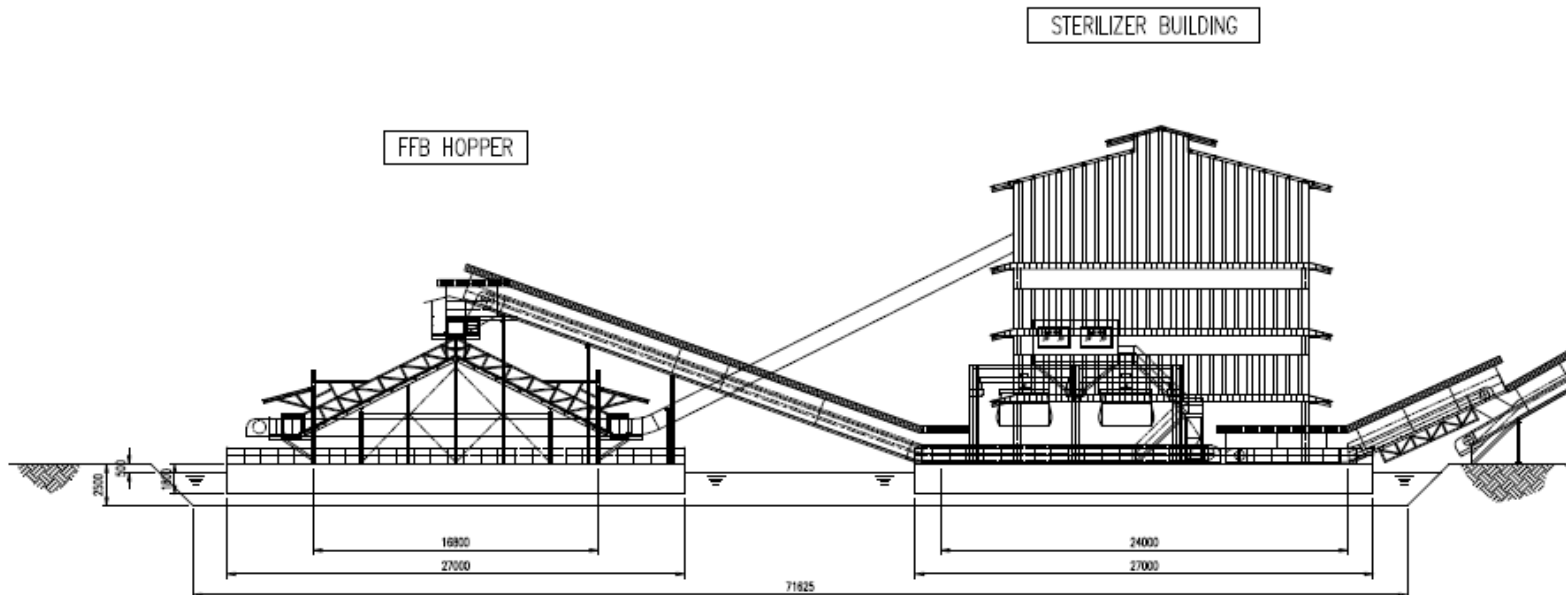




CB Industrial Product Holding Berhad

Equipping Palm Oil Industries Around The World

First Quarter 2020 Results Update



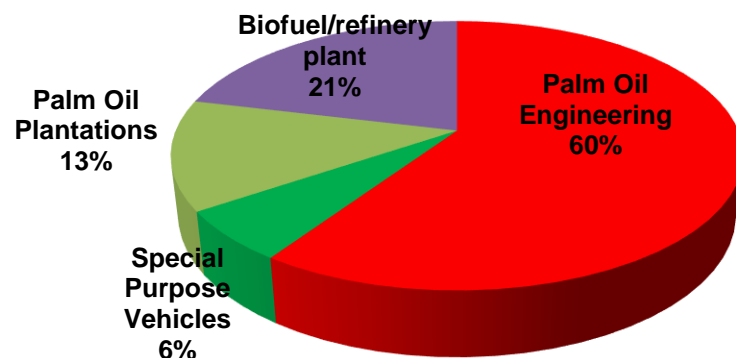
Quarterly Review

Continuing Operations	Quarter ended 31 March		% change	3 months period ended 31 March		% change
	2019	2018		2019	2018	
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Revenue	108,025	85,902	25.8	108,025	85,902	25.8
Profit from operations	19,068	20,677	(7.8)	19,068	20,677	(7.8)
Share of results of associates and joint ventures	(1,503)	(3,731)	(59.7)	(1,503)	(3,731)	(59.7)
Profit before taxation	14,959	14,585	2.6	14,959	14,585	2.6
Profit after taxation	12,633	10,271	23.0	12,633	10,271	23.0

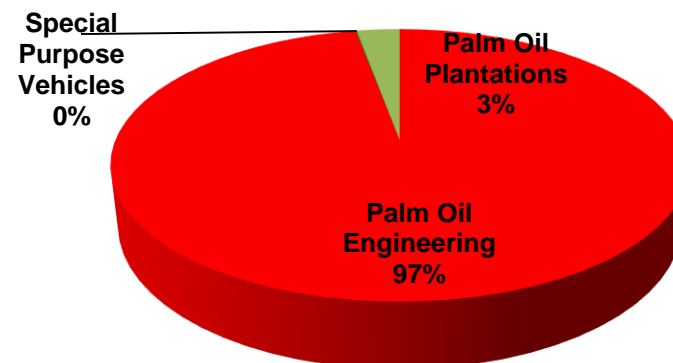
- Revenue for the quarter ended 31 March 2020 increased 25.8% mainly due to a new stream of revenue generated by the biofuel refinery segment, as well as the increase in revenue from the palm oil plantations and special purpose vehicles segment
- Profit before taxation for the quarter ended 31 March 2020 increased 2.6% mainly due to new contribution generated by the biofuel refinery segment (Revenue RM22.9mil, PBT RM2.3mil) along with profit recovery from the palm oil plantations and special purpose vehicles segments. The associates and joint venture improved with a combined share of losses of RM1.5mil (vs RM3.7mil yoy) due to higher prices and production of palm products during the quarter

Revenue Breakdown

3 months period ended 31 March 2020



3 months period ended 31 March 2019



Profit Before Taxation Breakdown

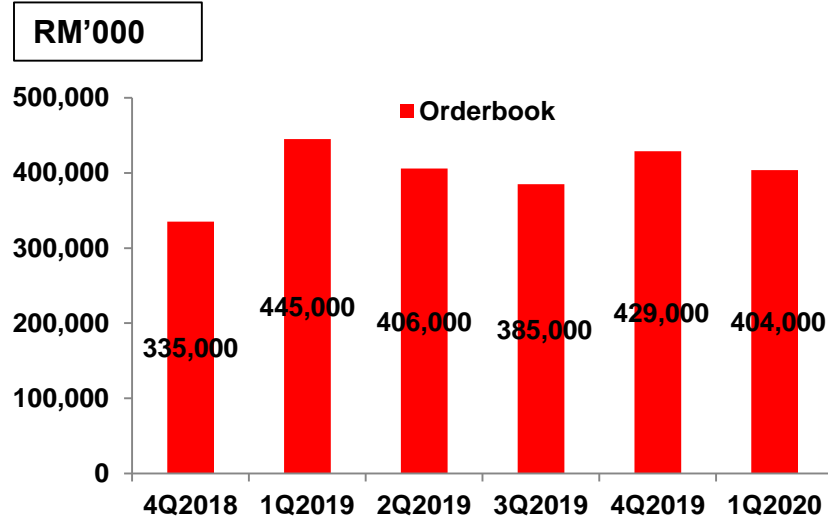
Profit Before Taxation

3 months period ended 31 March

% change

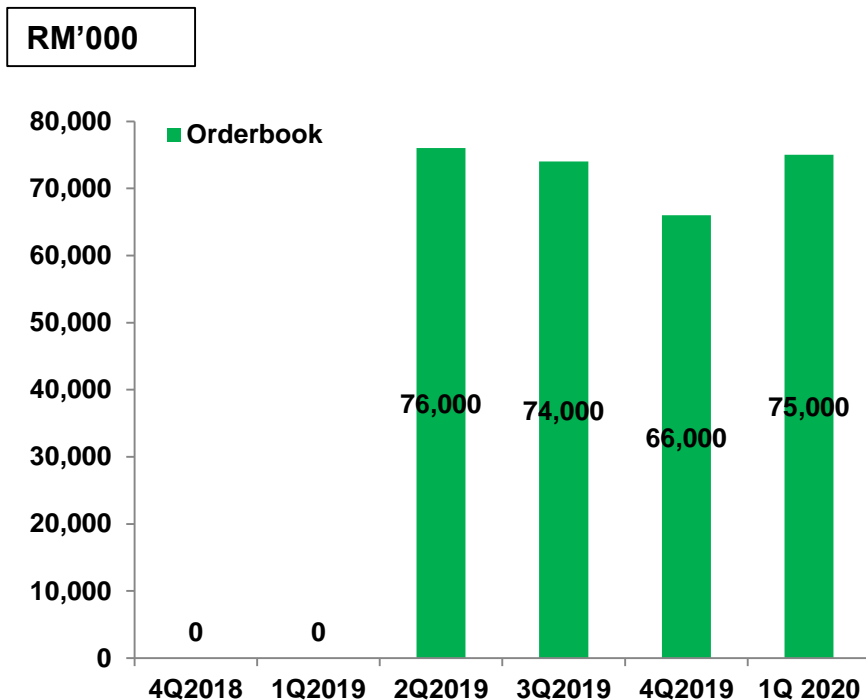
	2020 (RM'000)	2019 (RM'000)	% change
Palm Oil Engineering	13,810	23,818	(42.0)
Palm Oil Plantations	128	(4,510)	(102.7)
Special Purpose Vehicles	202	(992)	(79.6)
Biofuel/refinery plant	2,322	-	-
Share of results of associates and jointly-controlled entity	(1,503)	(3,731)	(59.7)
Total	14,959	14,585	2.6

Palm Oil Engineering



- 1Q20 revenue and PBT are lower by 23.0% and 42.0% yoy respectively 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 1Q20
- Orderbook as at March 2020 stands at RM404 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
- The decrease in revenue and profit in the special purpose vehicles segment were mainly due to lack of replenishment of new project following the completion of projects implementation in 1Q19
- 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 is 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 483.9% yoy following the commencement of palm oil milling operation. This segment recovered with a slight profit of RM0.13 million from a loss of RM4.5 million last year, due to higher prices and production of palm products.
- 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 31 March 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 1Q20 was 30%. We expect biodiesel production to begin in July 2020
- Since the commencement of refinery operation in January 2020, this segment contributed a revenue of RM22.9 million, and a profit before tax of RM2.3 million in 1Q20
- Targets to secure more orders/contracts within the pre-treatment/biofuel/refinery segments in 2020

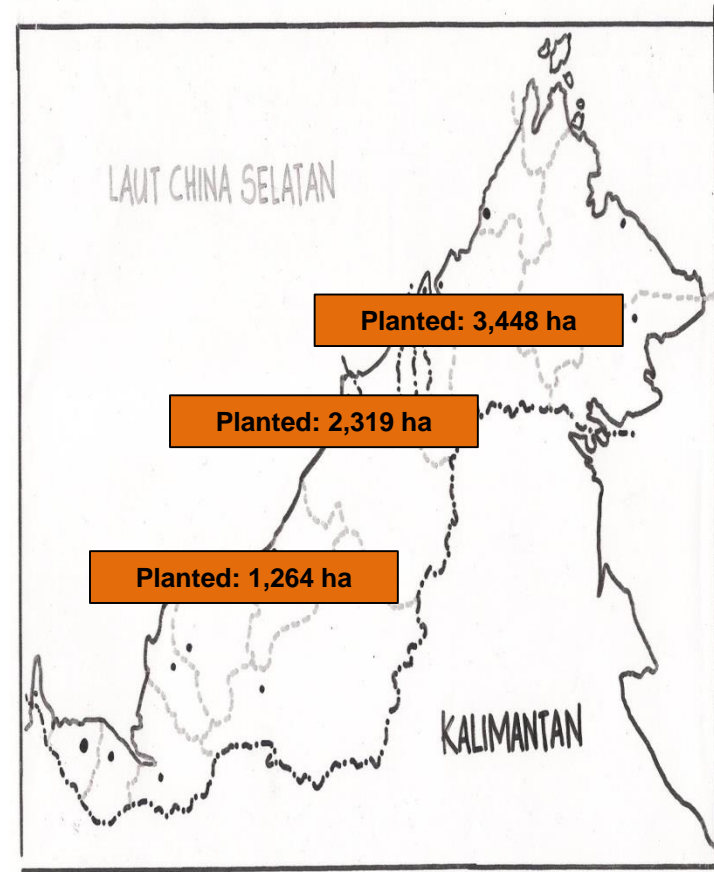
Gulf Lubes (70% owned subsidiary)

- 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 RM1.5 million for 1Q20, compared to a losses of RM3.7 million in 1Q19. 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



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