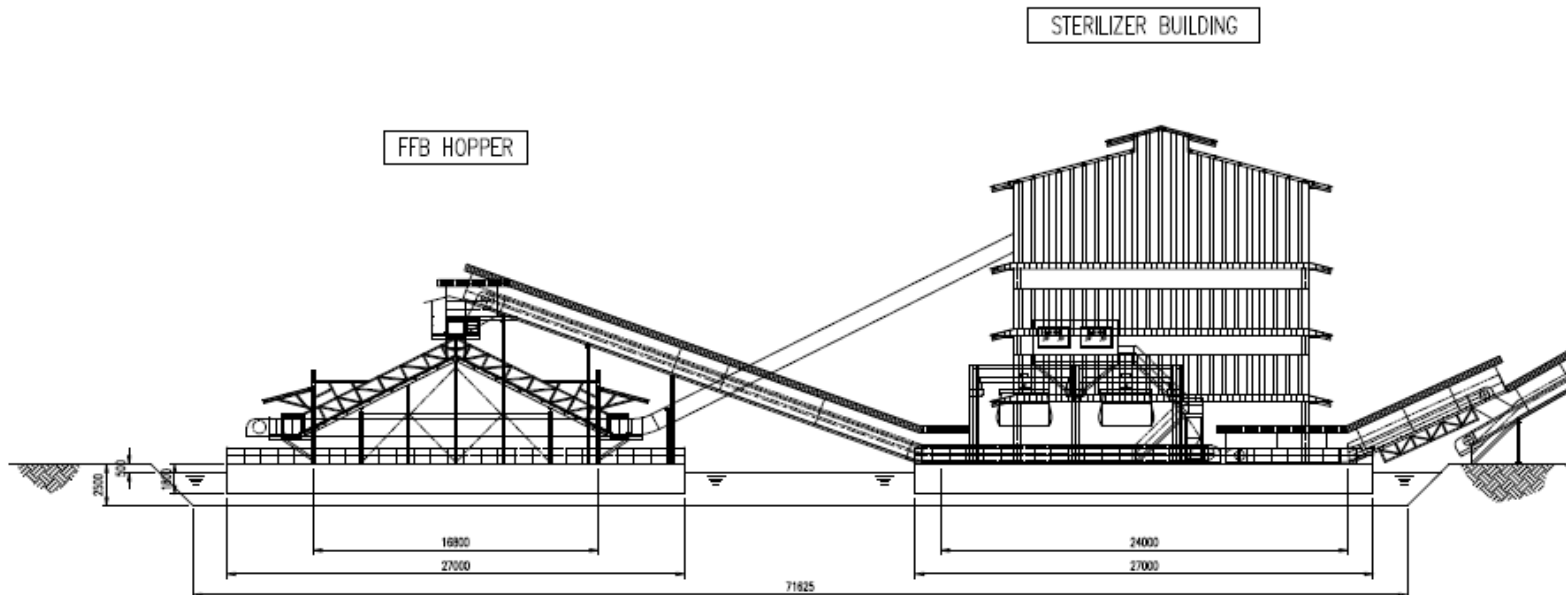




CB Industrial Product Holding Berhad

Equipping Palm Oil Industries Around The World

Fourth Quarter 2020 Results Update



Quarterly Review

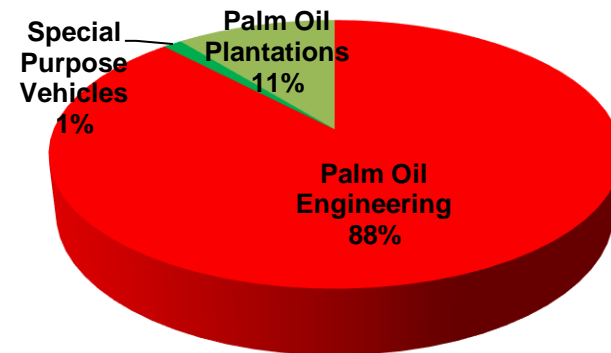
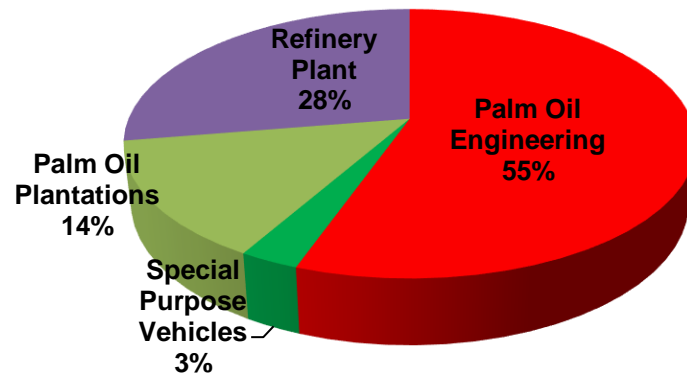
| Continuing Operations | Quarter ended 31 Dec | | % change | 12 months period ended 31 Dec | | % change |
|---|-------------------------|------------------|-------------|----------------------------------|------------------|----------|
| | 2020 (RM'000) | 2019 (RM'000) | | 2020 (RM'000) | 2019 (RM'000) | |
| Revenue | 173,498 | 172,244 | 0.7 | 542,192 | 452,487 | 19.8 |
| Profit from operations | 34,002 | 26,854 | 26.6 | 77,273 | 55,564 | 39.1 |
| Share of results of associates and joint ventures | 6,162 | (428) | (1,539.7) | 6,258 | (6,856) | (191.3) |
| Profit/(losses) before taxation | 37,550 | 23,769 | 58.0 | 72,865 | 37,718 | 93.2 |
| Profit after taxation | 33,515 | 23,692 | 41.5 | 47,584 | 35,354 | 34.6 |

- Revenue for the quarter ended 31 December 2020 increased 0.7% yoy due to higher revenue contribution from palm oil plantation segment resulting from the improved prices of palm products. Furthermore, the new refinery segment also contributed RM150 million revenue following the commencement of palm oil pre-treatment plant operation in this financial year end
- Profit before taxation for the quarter ended 31 December 2020 increased 41.5% yoy mainly due to the improvement in the palm oil plantation segment following the increases in palm oil milling operation and prices of palm products. In addition, both the special purpose vehicles segment as well and associates and joint ventures recovered from a losses in previous quarter to profit generating in current quarter

Revenue Breakdown

12 months period ended 31 Dec 2020

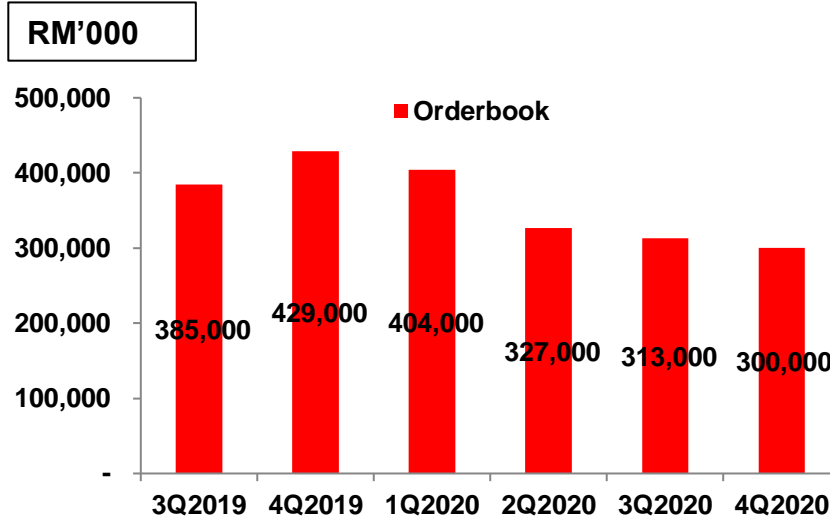
12 months period ended 31 Dec 2019



Profit Before Taxation Breakdown

| Profit Before Taxation | 12 months period ended 31 December | | % change |
|--|------------------------------------|------------------|-------------|
| | 2020 (RM'000) | 2019 (RM'000) | |
| Palm Oil Engineering | 90,532 | 61,916 | 46.2 |
| Palm Oil Plantations | (12,764) | (19,737) | (35.3) |
| Special Purpose Vehicles | (7,417) | 2,395 | (409.7) |
| Biofuel/refinery plant | (3,744) | NA | NA |
| Share of results of associates and jointly-controlled entity | 6,258 | (6,856) | (191.3) |
| Total | 72,865 | 37,718 | 93.2 |

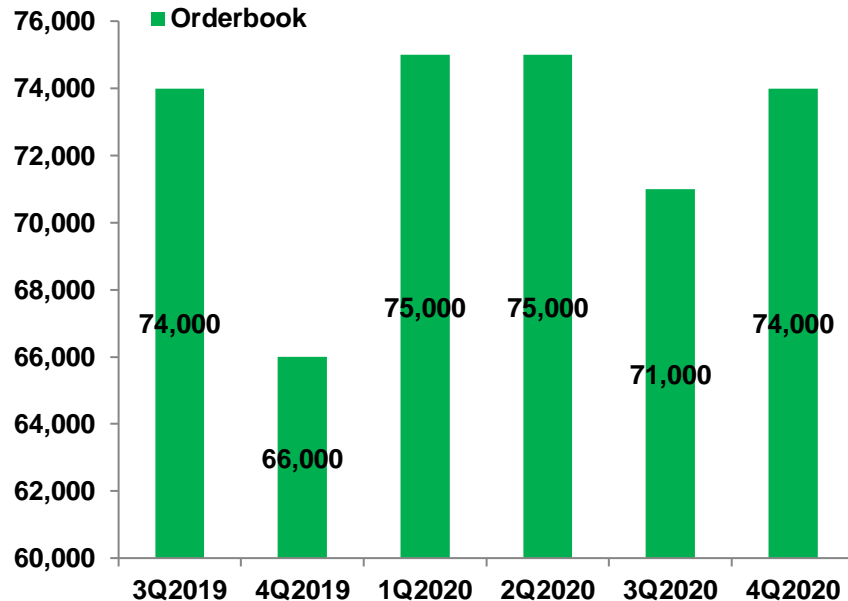
Palm Oil Engineering



- 4Q20 revenue fell 8.0% qoq 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 December 2020 stands at RM300 million
- The orderbook is expected to bode well for the performance of the palm oil engineering sector for the financial year ending 2021 and 2022
- 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

RM'000



- A 49% owned subsidiary, our SPV arm is primarily in bulky supply of specialised vehicles for government authorities and agencies
- Revenue remains flattish qoq, but returned to profitability in 4Q20. Recall that this segment slipped into losses in 3Q20 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 4Q20 revenue by 76.8% 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 RM1.2mil 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 13,604 ha has been planted as at 31 December 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 2020 is 60%, mainly selling RBD to both local and export markets. Biodiesel production is postponed to 1H21
- In 4Q20, this segment recorded a higher revenue of RM63.4mil (vs RM54.9mil in 3Q20) stemming from higher production volume. However, we incurred RM1.0mil losses due to weaker gross margin achieved in the quarter
- Targets to secure more orders/contracts within the pre-treatment/biofuel/refinery segments in the near future

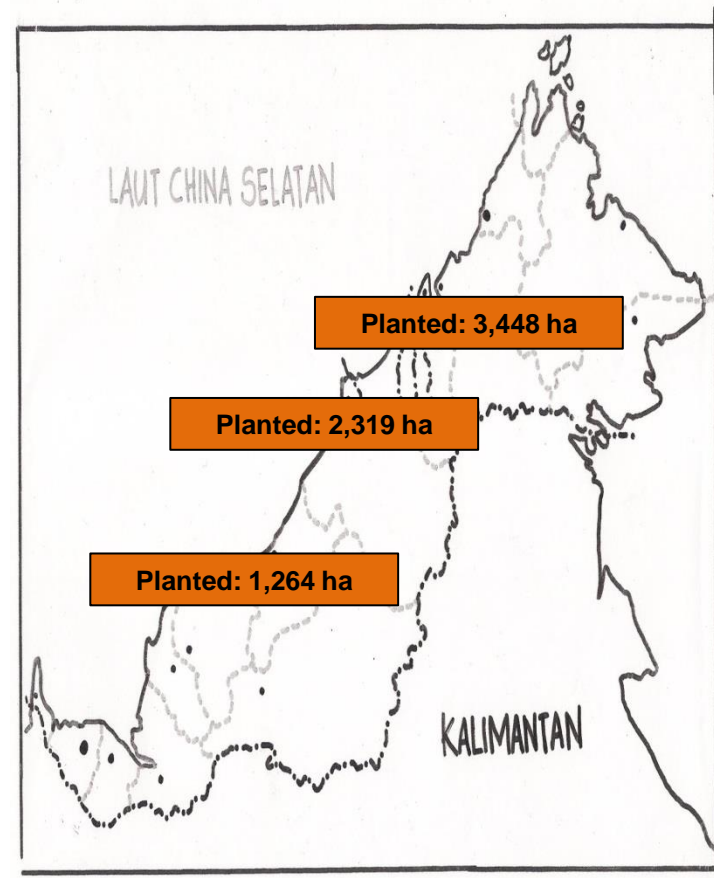
Gulf Lubes (70% owned entity)

- 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 RM6.258 million for the financial year ended 31 December 2020, compared to a losses of RM6.856 million in 2019. The profit is mainly due to higher prices 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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