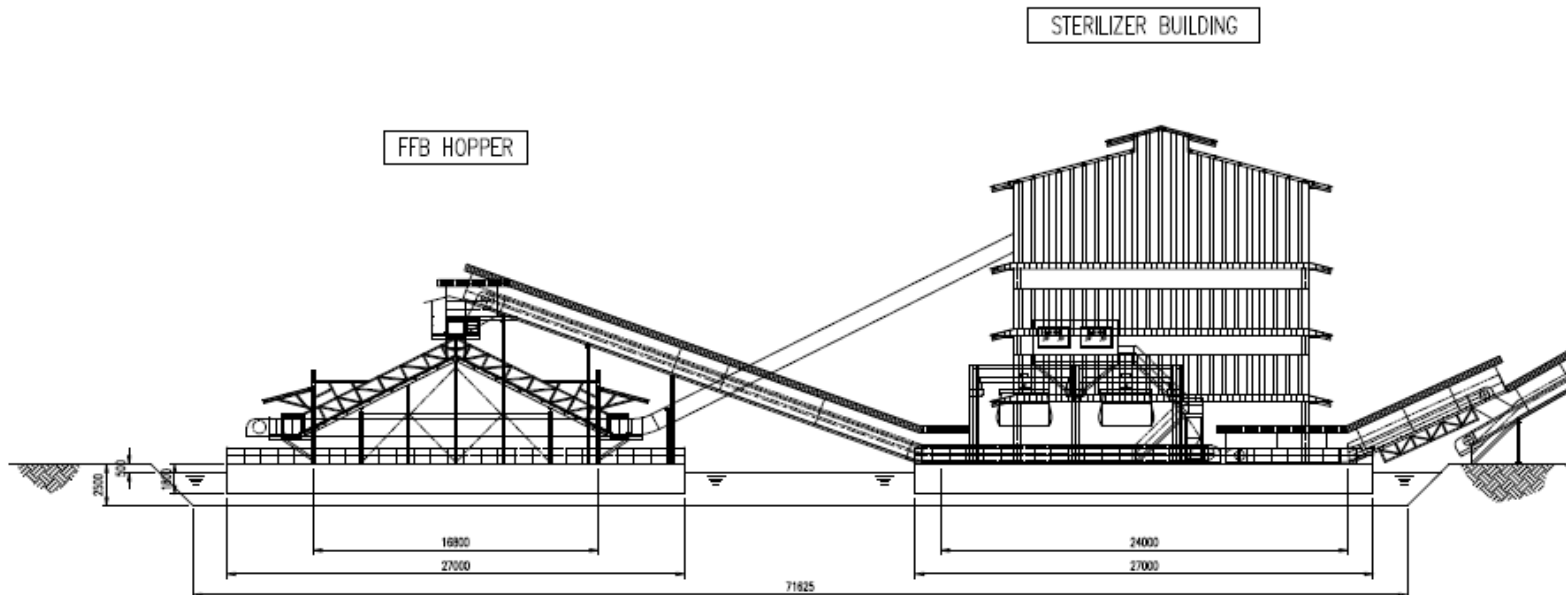




# CB Industrial Product Holding Berhad

*Equipping Palm Oil Industries Around The World*

## Second Quarter 2019 Results Update



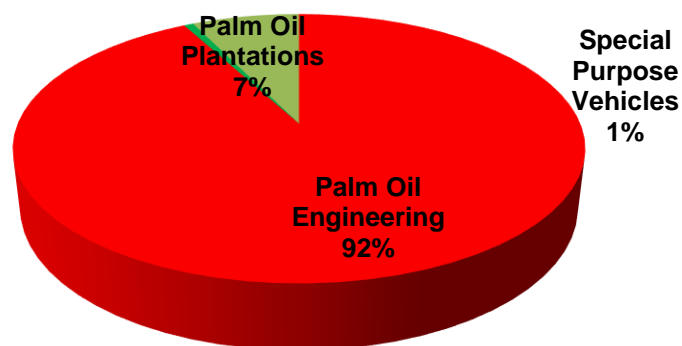
## Quarterly Review

Continuing Operations	Quarter ended 30 June		% change	6 months period ended 30 June		% change
	2019	2018		2019	2018	
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Revenue	92,425	158,105	(41.5)	178,327	289,395	(38.4)
Profit from operations	1,781	41,428	(95.7)	22,458	66,334	(66.1)
Share of results of associates and joint ventures	(2,252)	(2,591)	(13.1)	(5,983)	(2,159)	377.1
Profit/(losses) before taxation	(2,873)	38,093	(107.5)	11,712	63,037	(81.4)
Profit after taxation	562	27,663	(98.0)	10,833	47,734	(77.3)

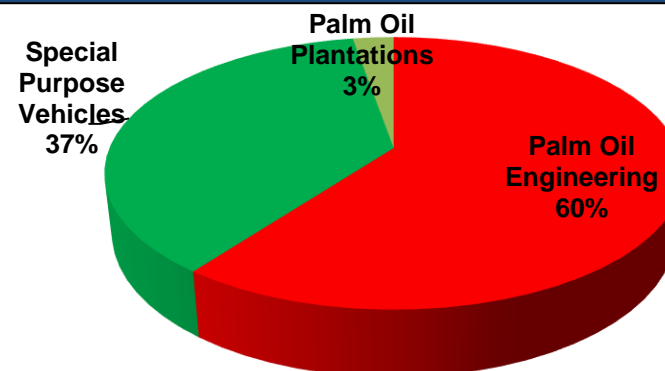
- Revenue for the quarter ended 30 June 2019 decreased 41.5% mainly due to lack of contribution from the special purpose vehicles segment (all contracts are completed in 3Q18). This is partially mitigated by higher revenue recognition in the palm oil plantation segment.
- The group reported losses before taxation for the quarter ended 30 June 2019 (-107.5% yoy) mainly due to losses from special purpose vehicles segment, palm oil plantations segment as well as losses of associates and joint-venture due to lower prices and production of palm products during the quarter.

## Revenue Breakdown

6 months period ended 30 June 2019



6 months period ended 30 June 2018

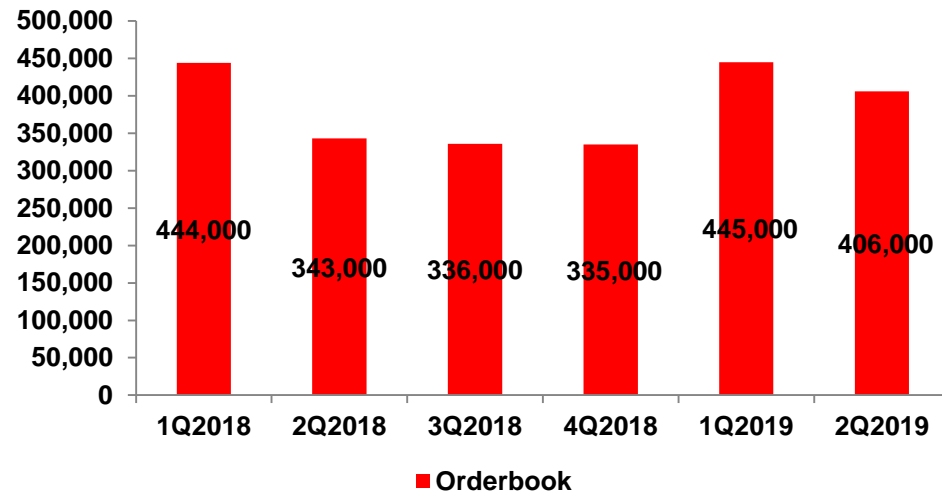


## Profit Before Taxation Breakdown

Profit Before Taxation	6 months period ended 30 June		% change
	2019 (RM'000)	2018 (RM'000)	
Palm Oil Engineering	33,430	34,414	(2.9)
Palm Oil Plantations	(14,400)	(1,487)	868.4
Special Purpose Vehicles	(1,335)	32,269	(104.1)
Share of results of associates and jointly-controlled entity	(5,983)	(2,159)	177.1
<b>Total</b>	<b>11,712</b>	<b>63,037</b>	<b>(81.4)</b>

## Palm Oil Engineering

RM'000

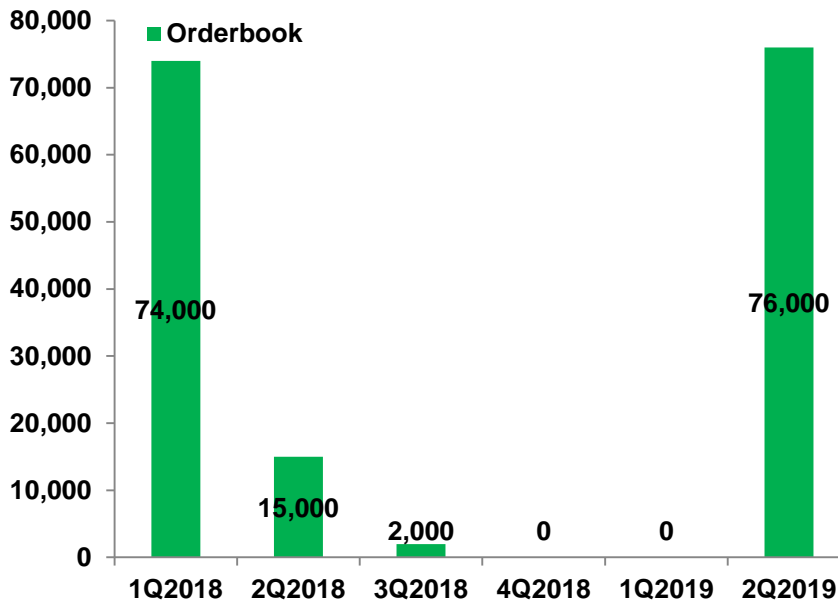


- Orderbook as at June 2019 stands at RM406 million
- The orderbook is expected to bode well for the performance of the palm oil engineering sector for the financial year ending 2019 and 2020



## 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
- The decrease in revenue and loss incurred by the special purpose vehicles segment were mainly due to lack of replenishment of new project following the completion of projects implementation in last financial year
- 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

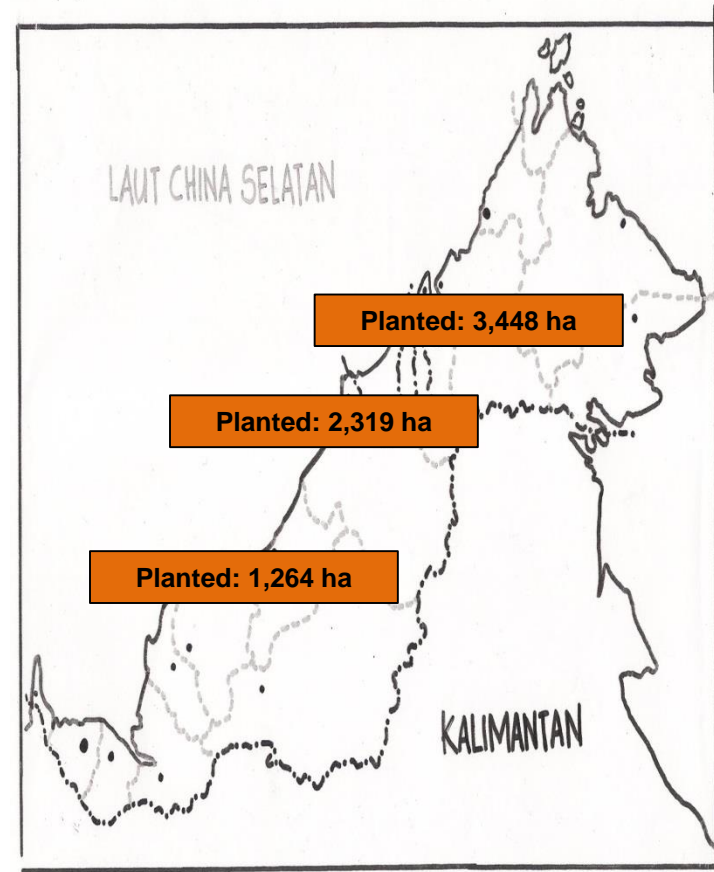
## Palm Oil Plantations - Indonesia

- 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 13,000 ha has been planted as at June 2019 with approximately 1,000 ha targeted to be planted for the year 2019
- Our strategy for the oil palm plantation in Indonesia remains to complete our planting development. With the commissioning of the palm oil mill in late 2018, 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

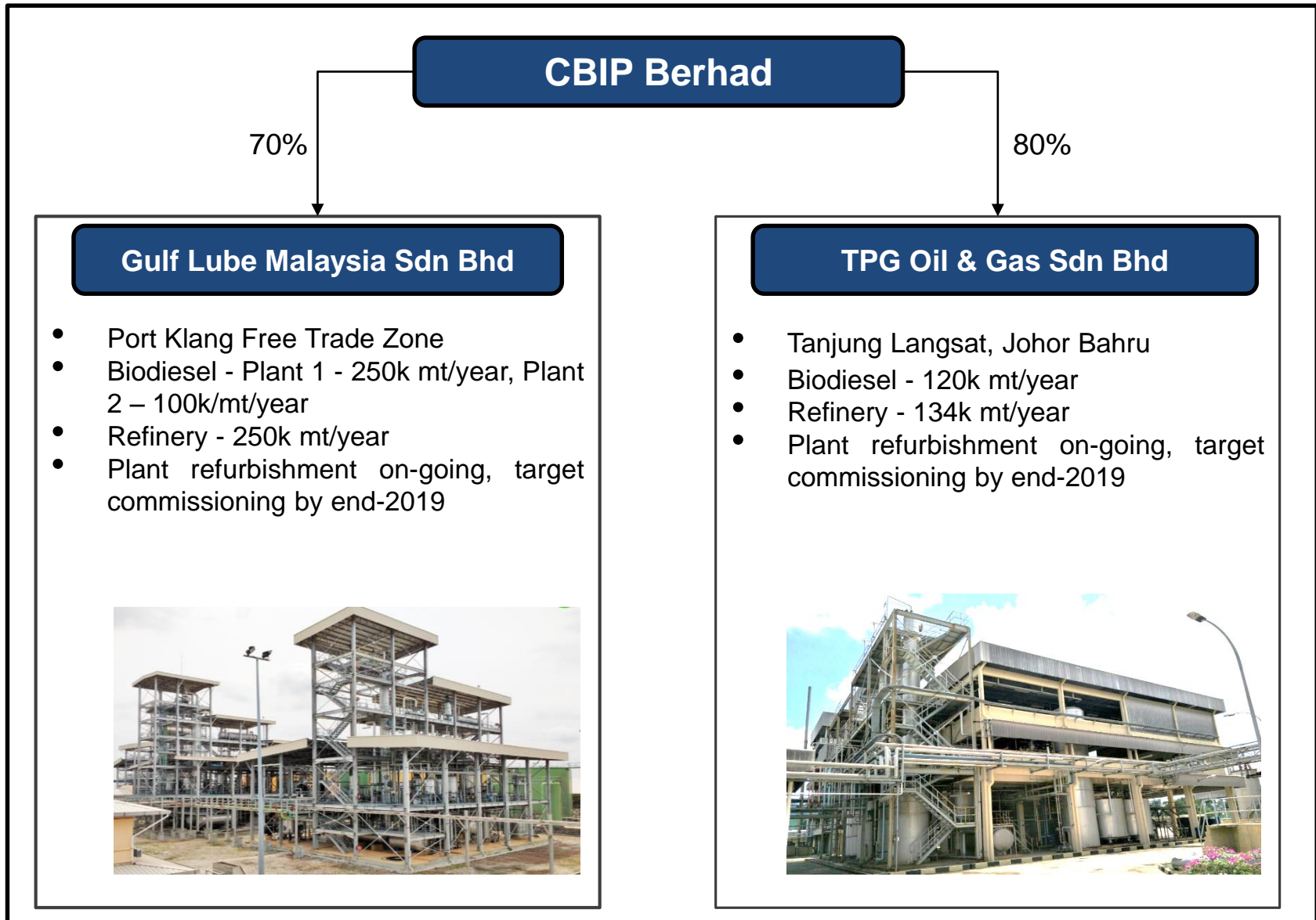


## Oil Palm Plantation – Associates and JV

- With effective planted area attributable to CBIP of 7,000 ha, the associates and JV plantation assets has posted a combined losses of RM2.252 million for the quarter ended 30 June 2019, compared to a losses of RM2.591 million in the corresponding quarter in 2018. The losses 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.





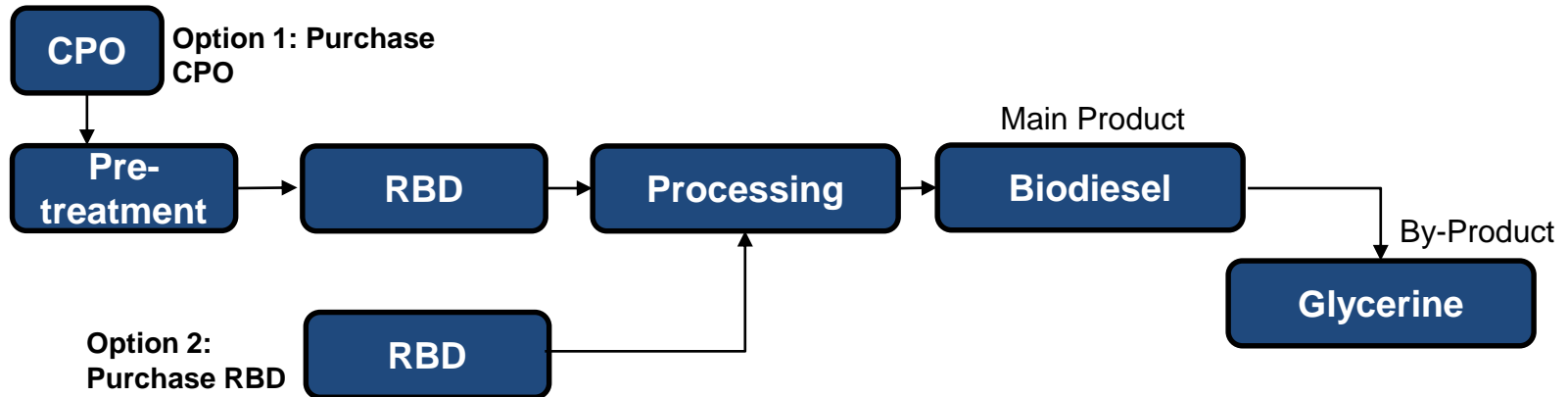




# Process Flow and Production Capacity



## Process Flow



## Plant Capacity

### Gulf Lube Malaysia

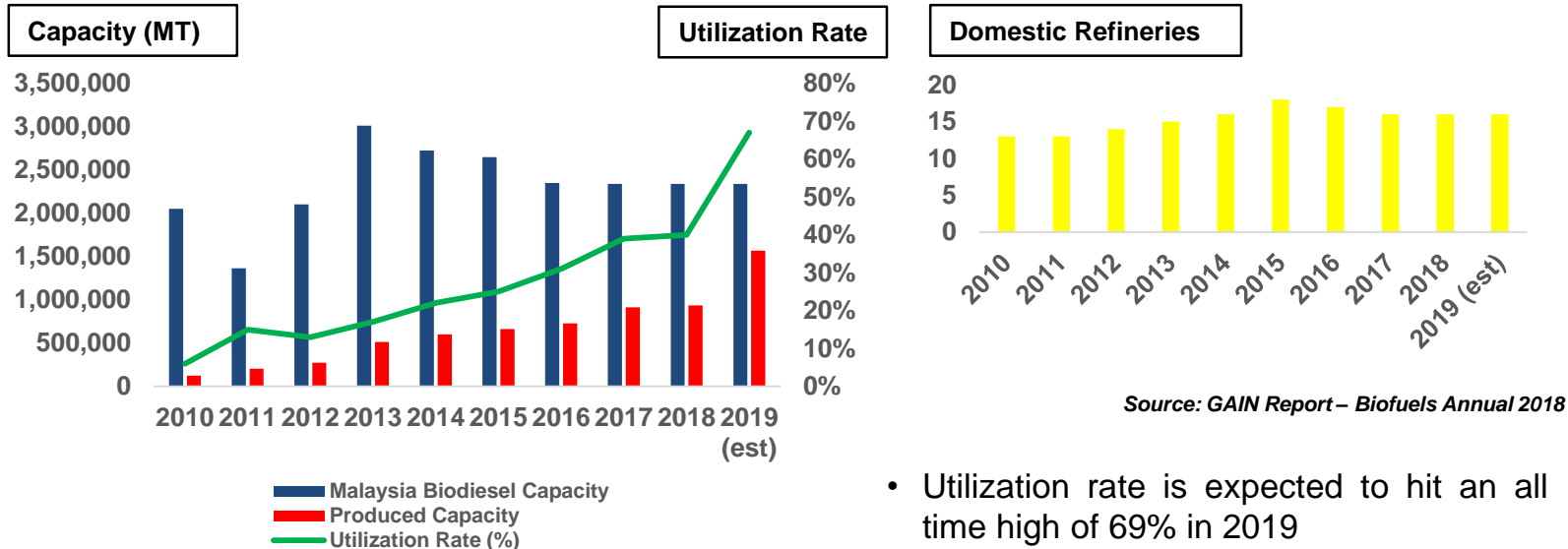
Product	Capacity (MT/year)
Refined Bleached and Deodorizing (RBD)	238K
Palm Methyl Ester (Biodiesel)	310k
Glycerine (By product)	35k

### TPG Oil & Gas Sdn Bhd

Product	Capacity (MT/year)
Refined Bleached and Deodorizing (RBD)	120K
Palm Methyl Ester (Biodiesel)	120K
Glycerine (By product)	11.7K

## Drivers of the Business

### Increasing Demand Coupled with Stagnant Supply



- Total domestic capacity has stagnated since 2016 at 2.35 million MT of biodiesel
- Number of domestic refineries has also stagnated at 16 plants as of 2018

- Utilization rate is expected to hit an all time high of 69% in 2019
- Production capacity has registered a 9 year CAGR of 32.63% with momentum likely to endure with the expected Malaysia's implementation of B10 mandate in 2019 and B20 in 2020 and Indonesia's implementation of B30 from B20 in early 2020

## Securing Off-Take Sale Contract and Supply Contract

While waiting for refurbishment to be completed, we are working on

- Securing off-take contract with Petronas and other buyers in Malaysia
- Securing off-take contract with oversea buyers
- Securing supply of CPO and RBD from Malaysian Listed Companies



**PETRONAS**



**PETRON**



**B I O M A X**



**TH PLANTATIONS BERHAD**



**Main Entrance**



**Refinery and Process Plant**



**Tank Farms**



**Jetty Connectivity to Port**



## Registered Office

### **CB Industrial Product Holding Berhad**

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](mailto:info@cbip.com.my)

Website: [www.cbip.com.my](http://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](mailto: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.