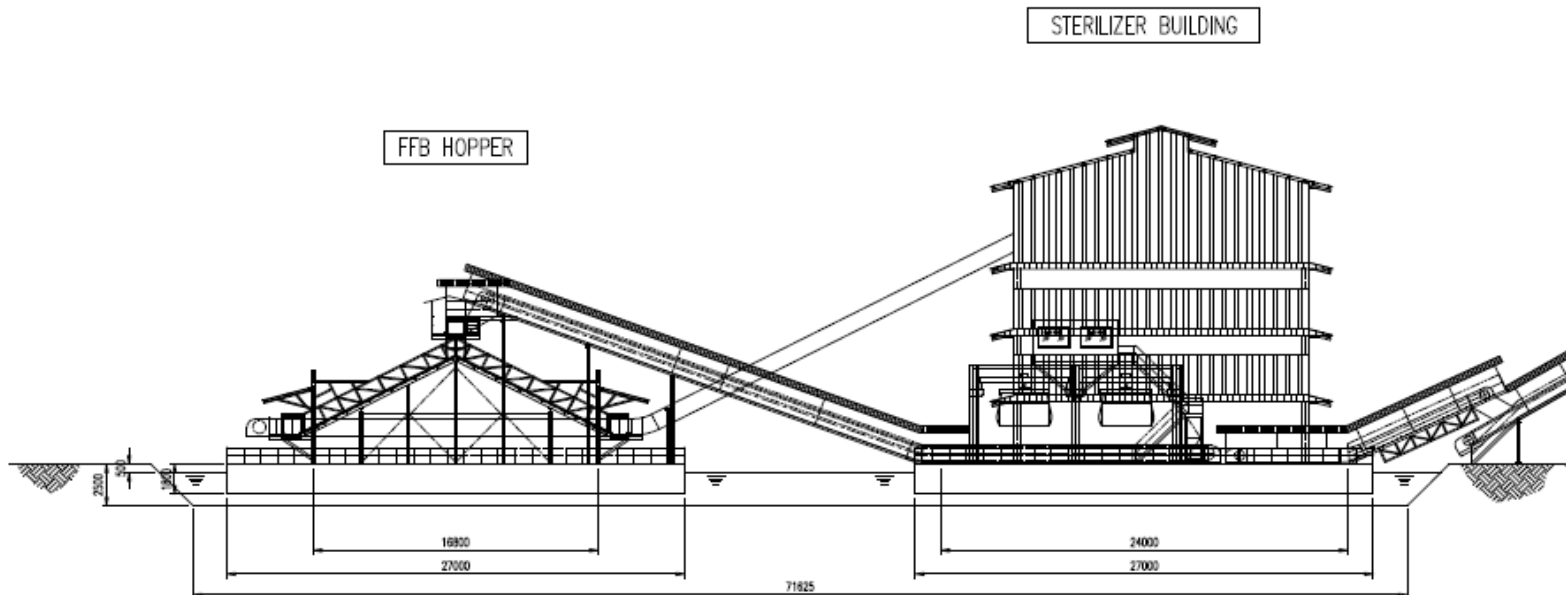




# CB Industrial Product Holding Berhad

*Equipping Palm Oil Industries Around The World*

## Third Quarter 2019 Results Update



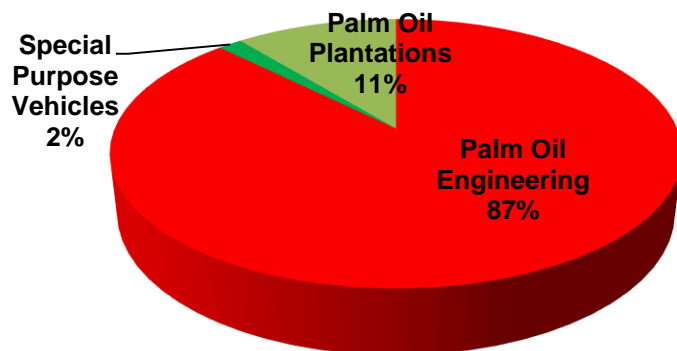
## Quarterly Review

Continuing Operations	Quarter ended 30 Sep		% change	9 months period ended 30 Sep		% change
	2019	2018		2019	2018	
	(RM'000)	(RM'000)		(RM'000)	(RM'000)	
Revenue	101,916	83,598	21.9	280,243	372,993	(24.9)
Profit from operations	6,252	23,194	(73.0)	28,710	89,528	(67.9)
Share of results of associates and joint ventures	(1,301)	(641)	103.0	(7,284)	(2,800)	160.1
Profit/(losses) before taxation	2,237	21,227	(89.5)	13,949	84,264	(83.4)
Profit after taxation	829	13,327	(93.8)	11,662	61,061	(80.9)

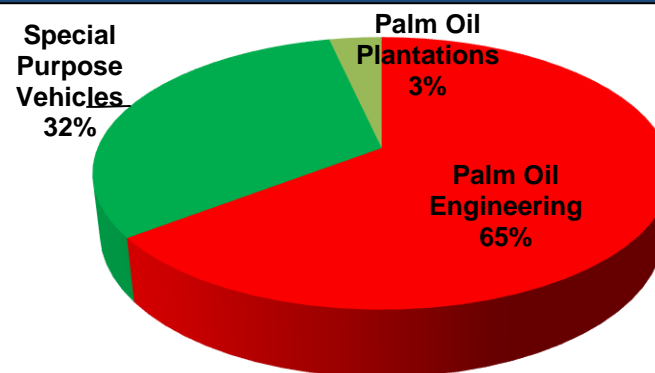
- Revenue for the quarter ended 30 September 2019 increased 21.9% yoy due to higher revenue contribution from palm oil engineering and palm oil plantation. This is partially mitigated by lower revenue recognition in the special purpose vehicles segment.
- Profit before taxation for the quarter ended 30 September 2019 decreased 89.5% yoy due to lower contribution from special purpose vehicles segment, higher losses from palm oil plantations segment, higher losses of associates and joint-venture as well as inclusion of pre-operational expenditure incurred by Biofuel plants.

## Revenue Breakdown

9 months period ended 30 September 2019



9 months period ended 30 September 2018

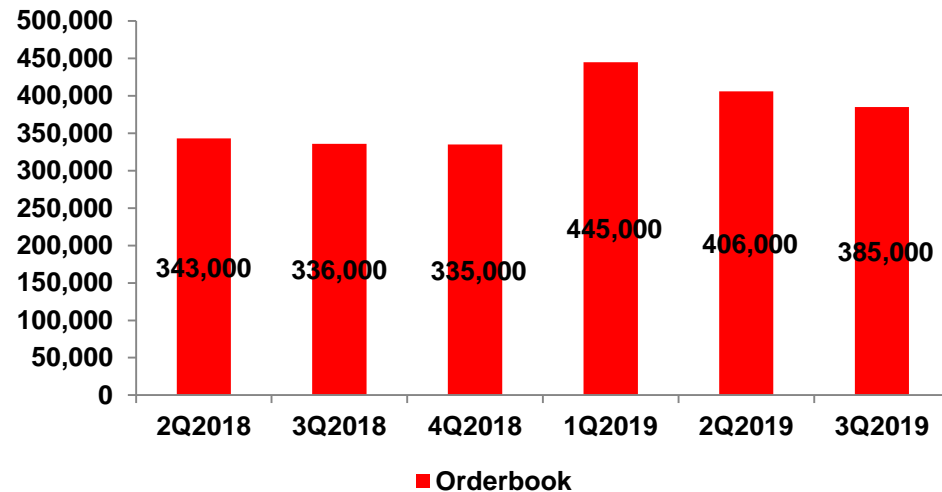


## Profit Before Taxation Breakdown

Profit Before Taxation	9 months period ended 30 September		% change
	2019 (RM'000)	2018 (RM'000)	
Palm Oil Engineering	38,521	45,089	(14.6)
Palm Oil Plantations	(17,266)	(1,515)	1040.0
Special Purpose Vehicles	(0.022)	43,490	(100%)
Share of results of associates and jointly-controlled entity	(7,284)	(2,800)	160.1
<b>Total</b>	<b>13,949</b>	<b>84,264</b>	<b>(83.4)</b>

## Palm Oil Engineering

RM'000

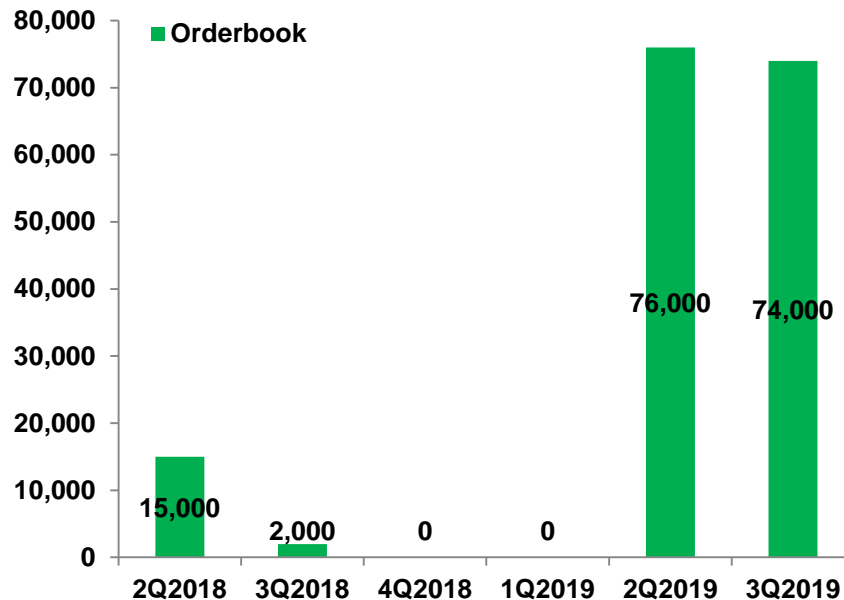


- Orderbook as at September 2019 stands at RM385 million
- The orderbook is expected to bode well for the performance of the palm oil engineering sector for the financial year ending 2019 and 2020



## 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 profit in 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

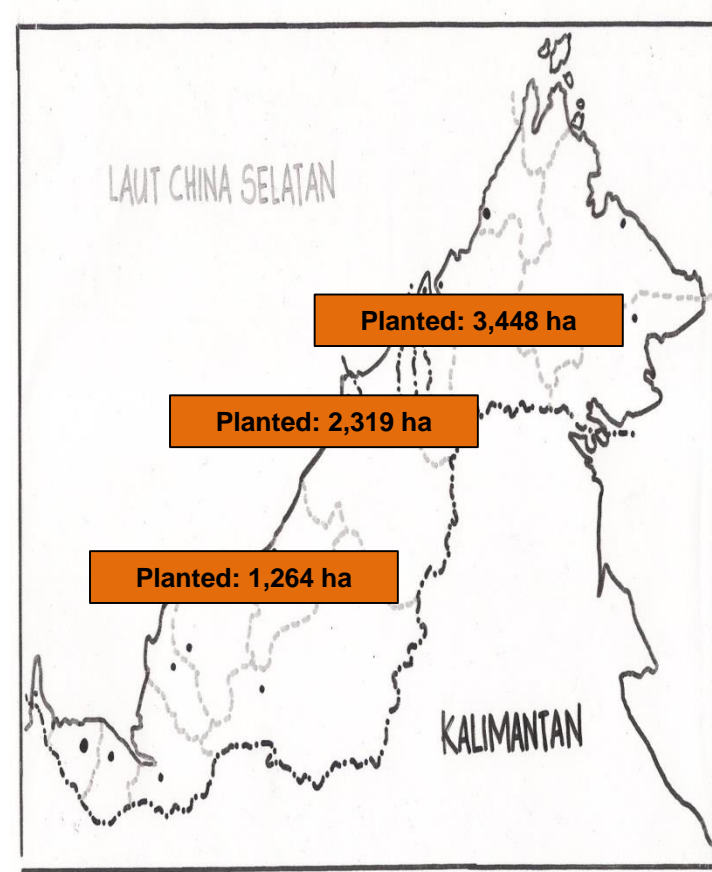
## Palm Oil Plantations - Indonesia

- The palm oil plantations segment reported higher revenue by 134% yoy following the commencement of palm oil milling operation. It remains in losses despite the increase in revenue mainly due to low prices of palm products, higher operating and financial expenses.
- 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 13,441 ha has been planted as at September 2019
- 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 RM1.301 million for the quarter ended 30 September 2019, compared to a losses of RM0.641 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.



# Biodiesel – Under Refurbishment



## CBIP Berhad

70%

### Gulf Lube Malaysia Sdn Bhd

- Port Klang Free Trade Zone
- Biodiesel - Plant 1 - 250k mt/year, Plant 2 – 100k/mt/year
- Refinery - 250k mt/year
- Plant refurbishment on-going, target commissioning by end-2019



80%

### TPG Oil & Gas Sdn Bhd

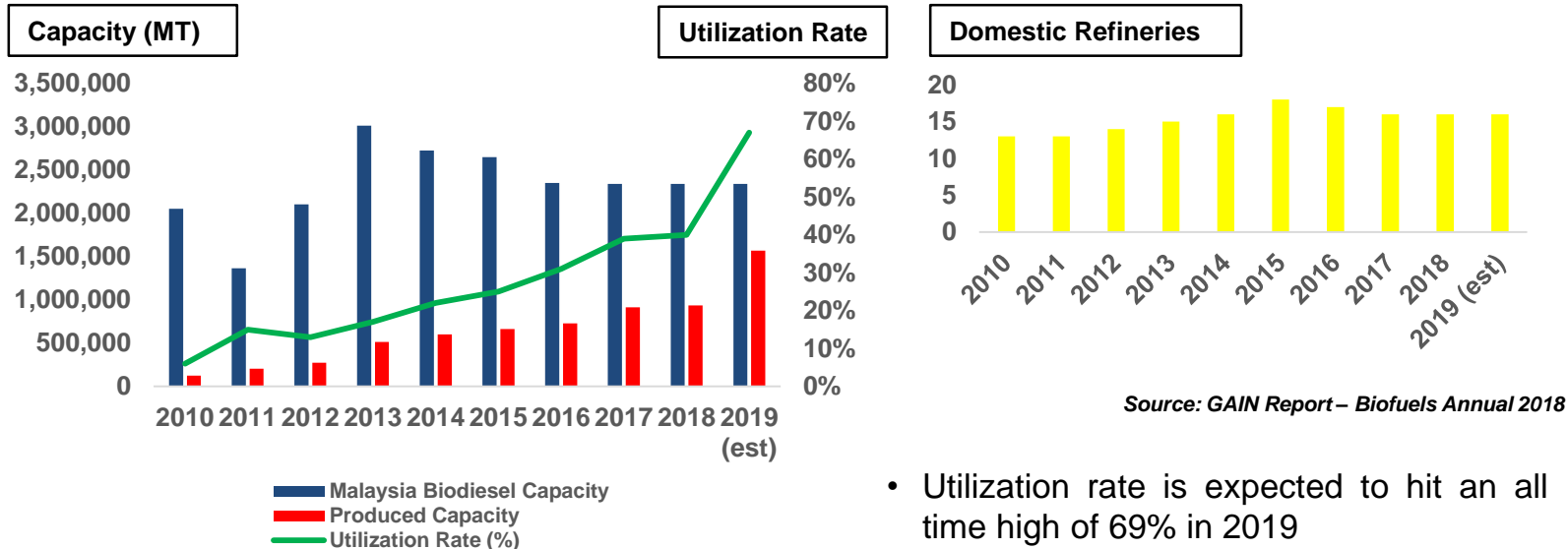
- Tanjung Langsat, Johor Bahru
- Biodiesel - 120k mt/year
- Refinery - 134k mt/year
- Plant refurbishment on-going, target commissioning by end-2019





## 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**



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