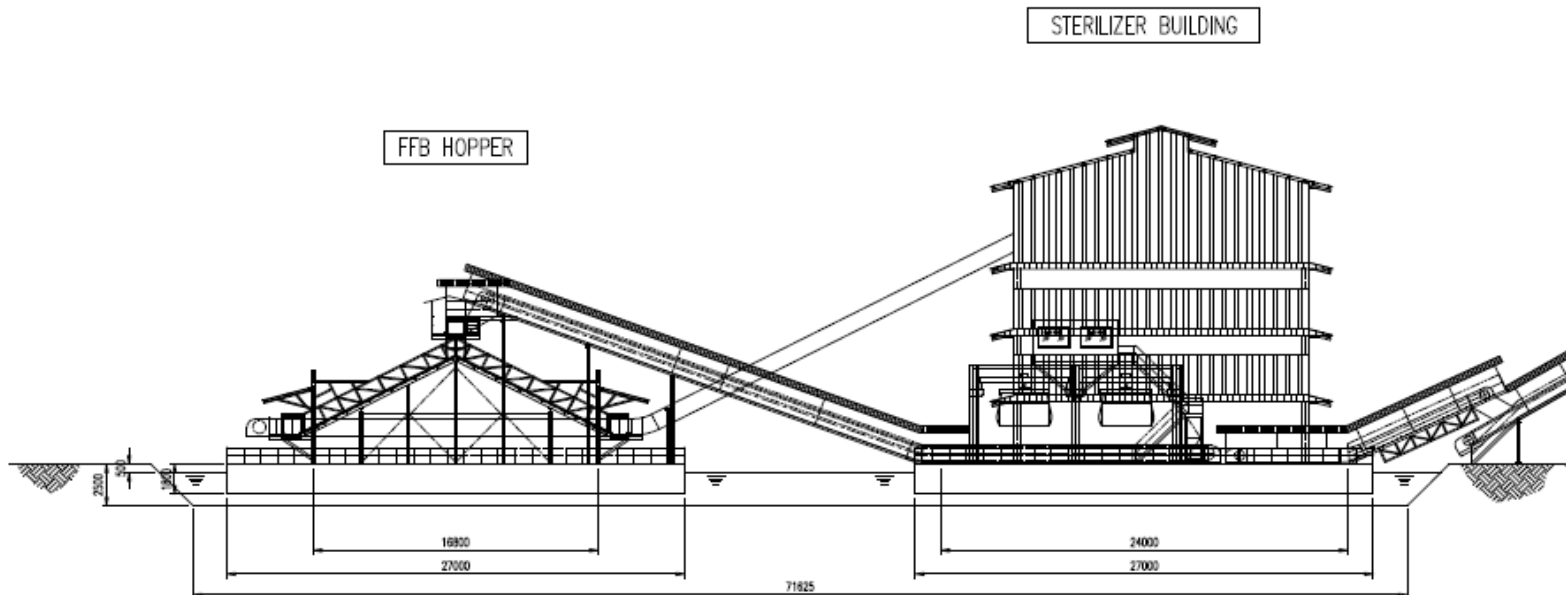




CB Industrial Product Holding Berhad

Equipping Palm Oil Industries Around The World

Fourth Quarter 2019 Results Update



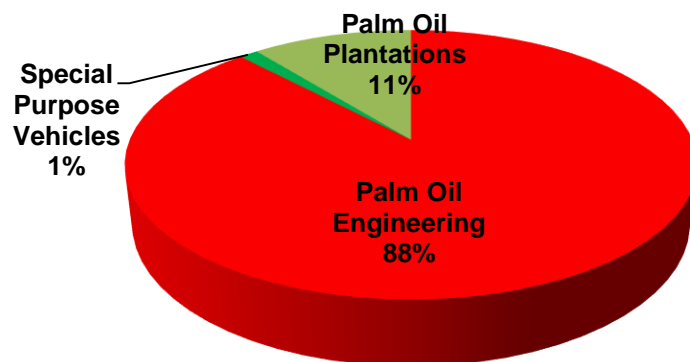
Quarterly Review

Continuing Operations	Quarter ended 31 Dec		% change	12 months period ended 31 Dec		% change
	2019 (RM'000)	2018 (RM'000)		2019 (RM'000)	2018 (RM'000)	
Revenue	170,020	105,093	61.8	450,263	478,086	(5.8)
Profit from operations	33,282	8,588	287.5	61,992	98,116	(36.8)
Share of results of associates and joint ventures	(429)	(2,114)	(79.7)	(6,855)	(4,914)	39.5
Profit/(losses) before taxation	30,379	4,288	608.5	44,328	88,552	(49.9)
Profit after taxation	21,860	(2,555)	(955.6)	33,522	58,506	(42.7)

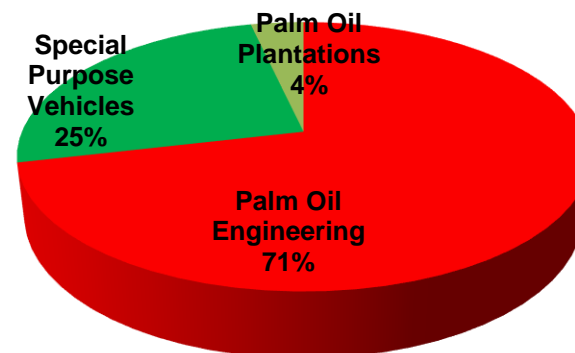
- Revenue for the quarter ended 31 December 2019 increased 61.8% yoy due to higher revenue contribution from palm oil engineering and palm oil plantation. This is partially mitigated by lower revenue recognition in the special purpose vehicles segment.
- Profit before taxation for the quarter ended 31 December 2019 increased 608.5% yoy mainly due to higher contribution from palm oil engineering and lower losses of associates and joint-venture, despite higher losses from palm oil plantation.

Revenue Breakdown

12 months period ended 31 Dec 2019



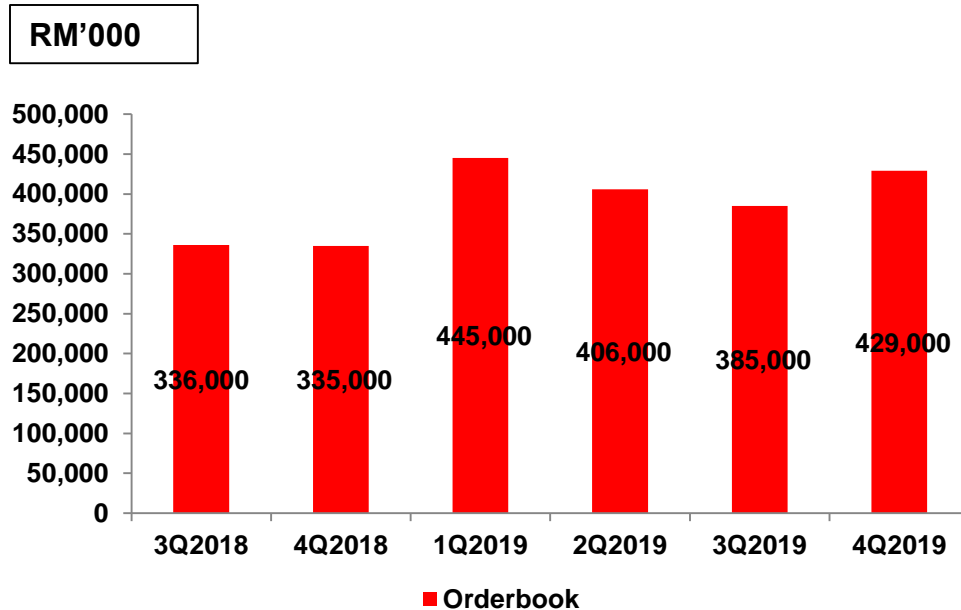
12 months period ended 31 Dec 2018



Profit Before Taxation Breakdown

Profit Before Taxation	12 months period ended 31 December		% change
	2019 (RM'000)	2018 (RM'000)	
Palm Oil Engineering	78,712	58,341	34.9
Palm Oil Plantations	(28,505)	(8,771)	225.0
Special Purpose Vehicles	976	43,896	(97.8)
Share of results of associates and jointly-controlled entity	(6,855)	(4,914)	39.5
Total	44,328	88,552	(49.9)

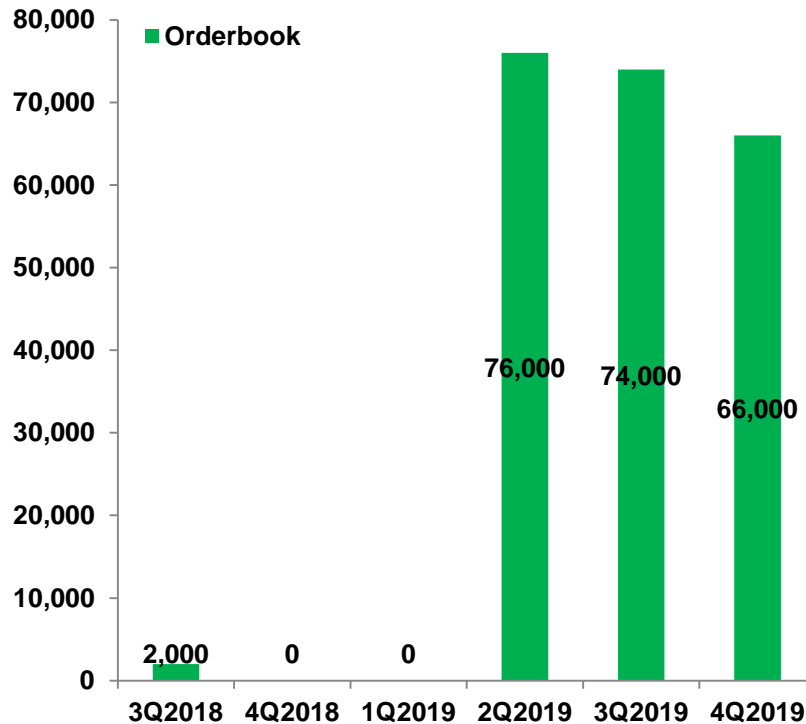
Palm Oil Engineering



- Outstanding orderbook as at 31 December 2019 stands at RM429million
- The orderbook is expected to bode well for the performance of the palm oil engineering sector for the financial year ending 2020 and 2021

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 1Q2019
- 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

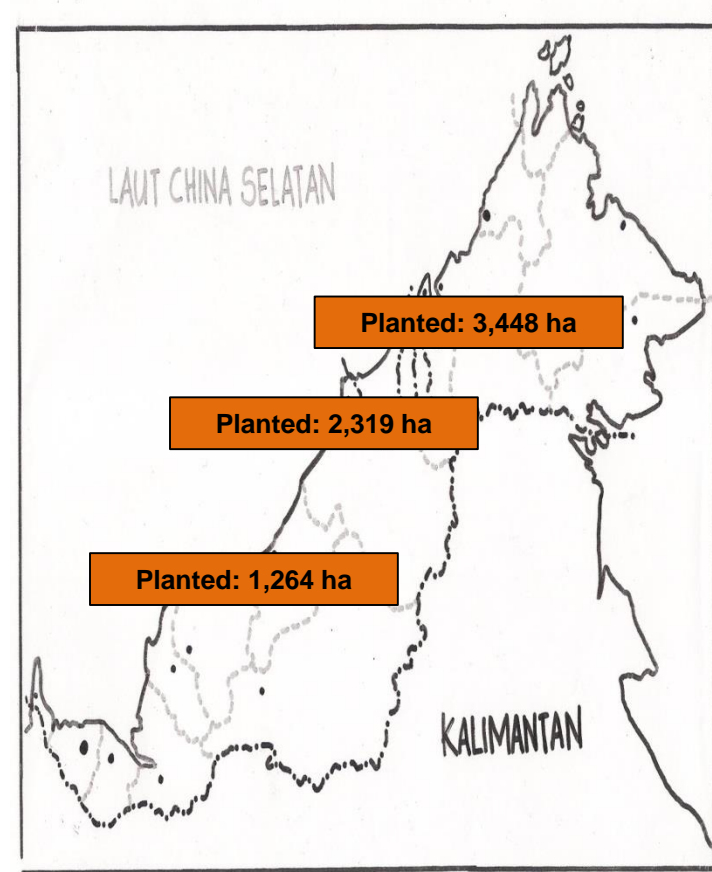
Palm Oil Plantations - Indonesia

- The palm oil plantations segment reported higher revenue by 185% 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 31 December 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 RM6.855 million for the financial year ended 31 December 2019, compared to a losses of RM4.914 million 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 currently on-hold



80%

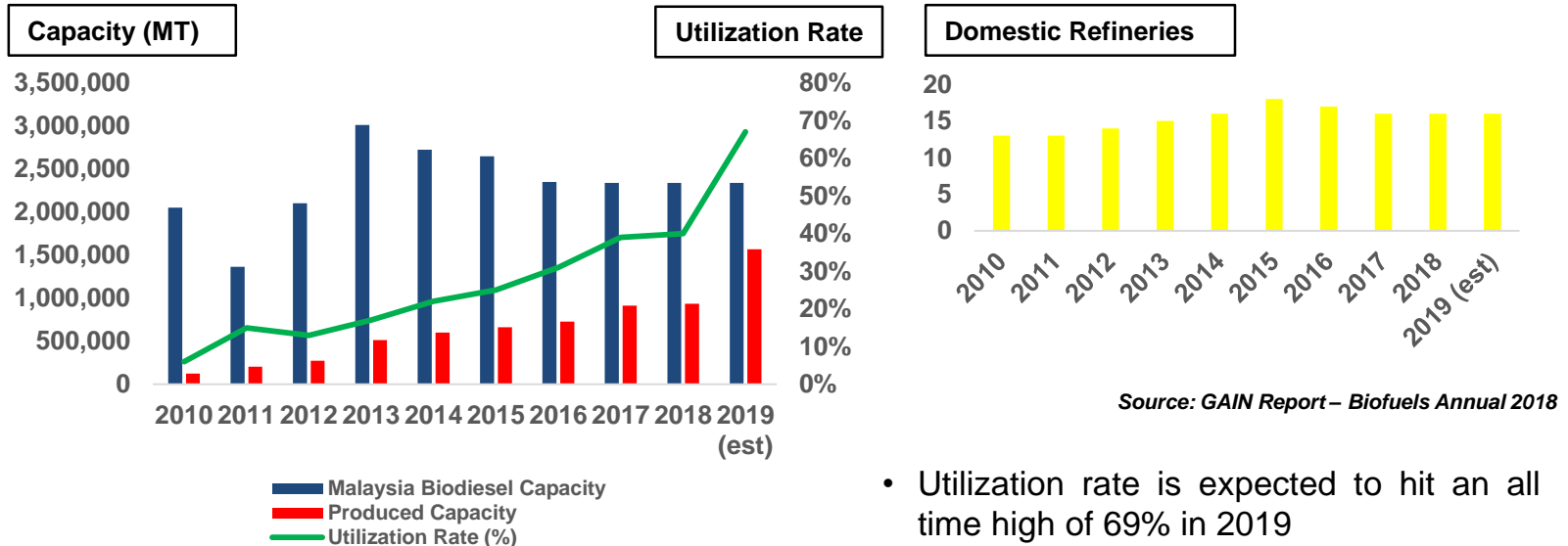
TPG Oil & Gas Sdn Bhd

- Tanjung Langsat, Johor Bahru
- Biodiesel - 120k mt/year
- Refinery - 134k mt/year
- Plant refurbishment completed, target commissioning by 1Q2020



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



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