



KIM LOONG
RESOURCES BERHAD
(22703-K)

錦隆資源有限公司

Corporate Profile

31 December 2020

Introduction to Kim Loong Resources Berhad (“KLR”) Group



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- KLR’s holding company, Sharikat Kim Loong Sendirian Berhad, had its beginning back in 1967 with a 1,000 acre rubber plantation in Ulu Tiram, Johor
- KLR is listed on the Main Market of Bursa Malaysia Securities Berhad since year 2000 and currently with a RM1.5 billion market capitalisation
- KLR is primarily involved in oil palm cultivation and related businesses which include the following:
 - More than 15,000 Ha of oil palm plantations in Sabah, Sarawak and Johor (excluding 2,000 Ha of plantable NCR land and State land to be secured and developed)
 - 3 palm oil mills located in Johor and Sabah with a total processing capacity of 250MT of FFB per hour

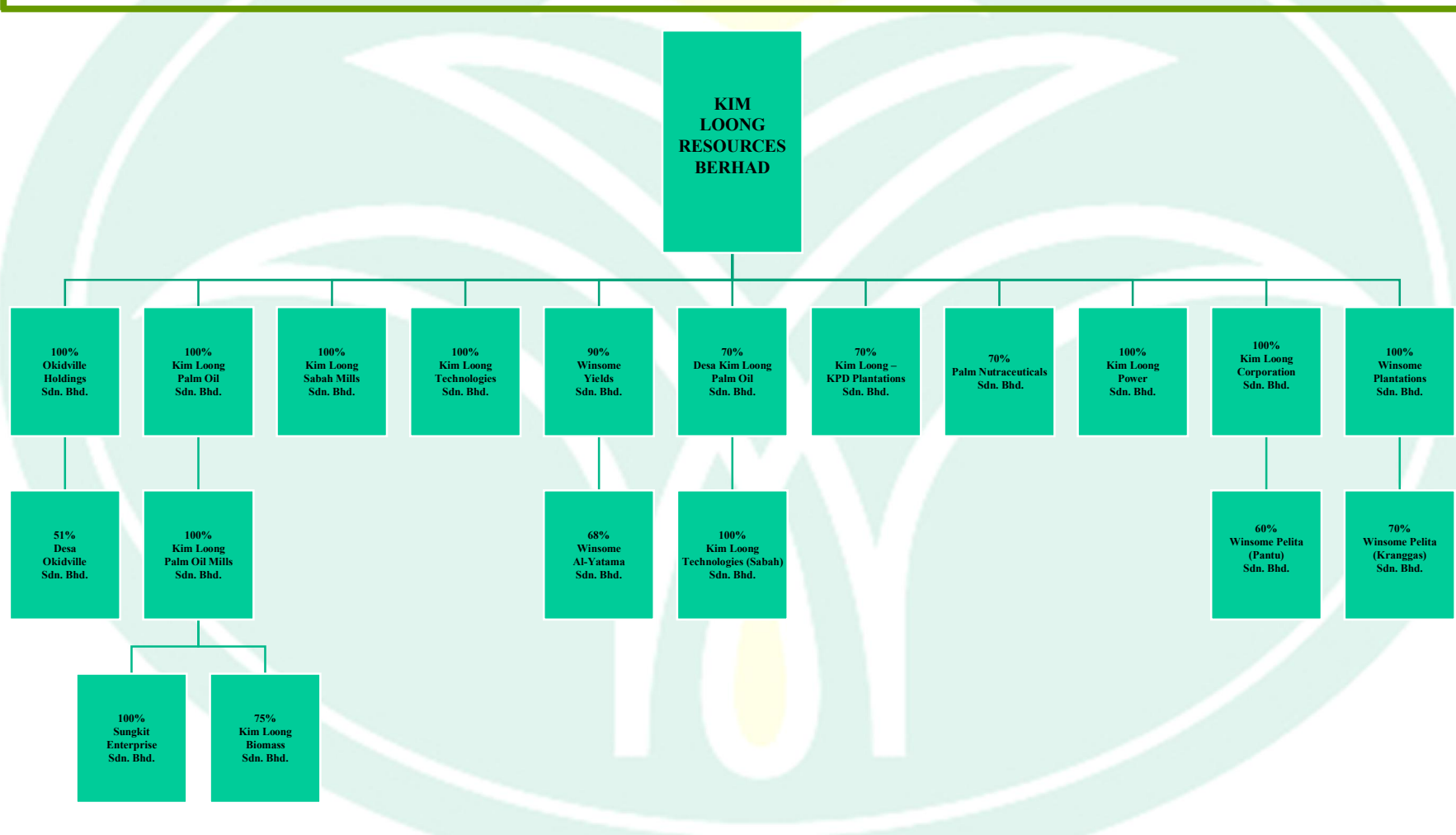




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Group Structure (Active Companies Only)

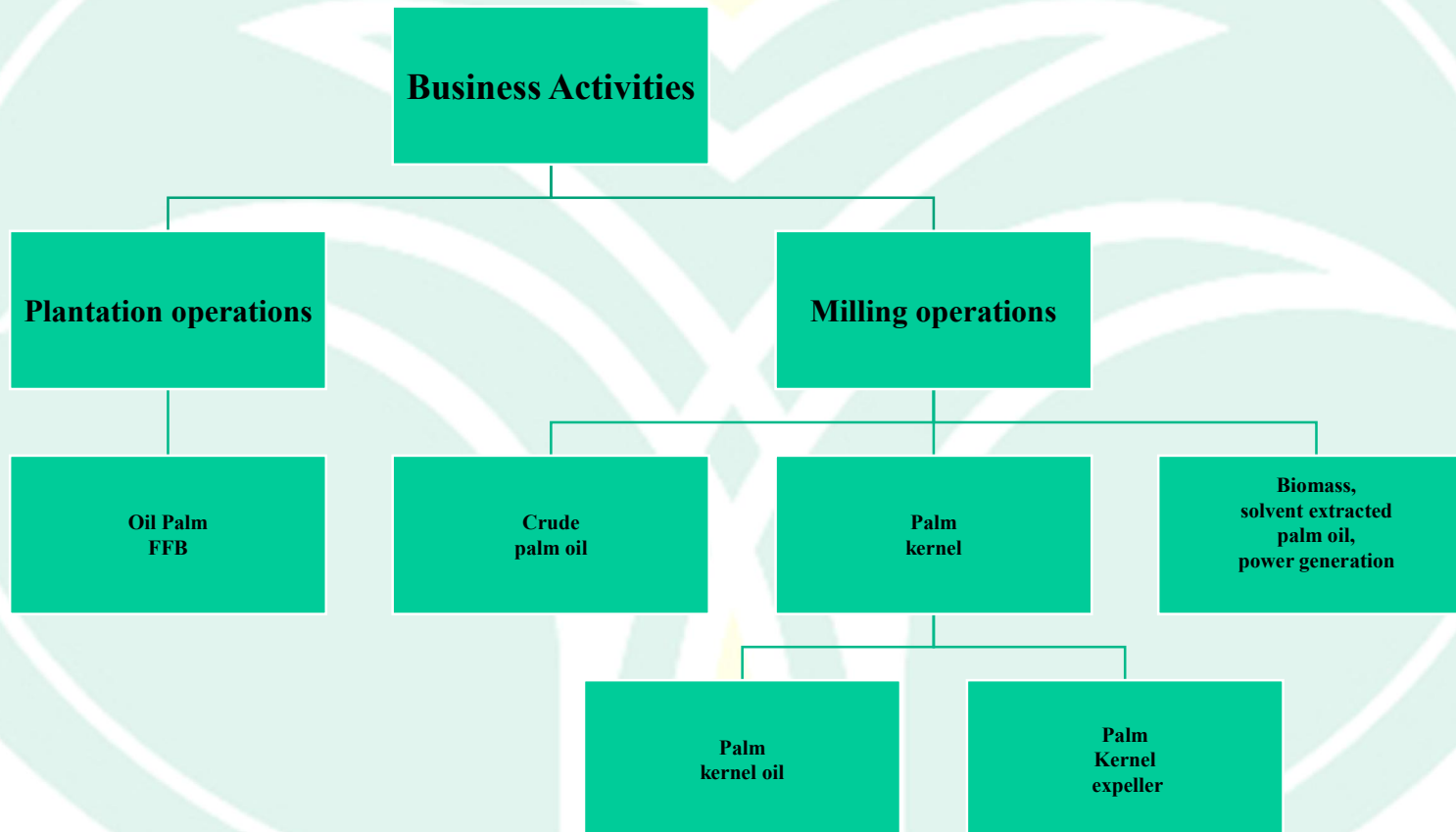
AS AT 31 JANUARY 2020



Principal activities



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Financial Highlights

FINANCIAL PERFORMANCE



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	Financial year		3Q2021*
	2019	2020	
Revenue (RM'000)	872,937	679,625	717,938
EBITDA (RM'000)	123,495	95,249	153,355
Profit before tax (RM'000)	88,234	60,389	127,580
Weighted Average No. of Share ('000)	933,606	933,607	933,607
Shareholders' equity (RM'000)	734,789	719,732	767,283
Basic earnings per share (Sen)	5.58	4.40	9.09
PE Ratio (times)	22.4	28.6	-
Return on Capital Employed (Pre-tax) [N1]	10.4%	7.4%	14.0%
Return on Total Equity (Pre-tax)	10.7%	7.5%	14.9%
Return on Total Assets (Pre-tax)	9.0%	6.2%	11.4%
Gearing	0.02	0.02	0.06

N1 : Capital Employed includes Total Equity and Bank Borrowings.

* Based on unaudited 9-months results ended 31 October 2020.

Financial Highlights (continued)

ANALYSIS BY SEGMENTS



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	Financial Year		3Q2021*
	2019	2020	
REVENUE	RM'000	RM'000	RM'000
Plantation	128,885	101,910	103,289
Palm Oil Milling	854,558	662,943	699,519
Less : Inter-segment eliminations	(110,506)	(85,228)	(84,870)
TOTAL GROUP	872,937	679,625	717,938
RESULTS			
Plantation	43,151	26,499	46,563
Palm Oil Milling	43,370	32,209	76,964
	86,521	58,708	123,527
Inter-segment adjustments and eliminations	1,228	2,501	494
Unallocated cost **	(7,273)	(8,500)	(781)
Finance income	8,834	8,389	4,935
Finance cost	(1,076)	(709)	(595)
Profit before tax	88,234	60,389	127,580

* Based on unaudited 9-months results ended 31 October 2020.

** Unallocated cost mainly consists of salaries and other office administration cost net of management fee and commission income receivable.

Financial Highlights (continued)

DIVIDEND PAYMENT RECORD



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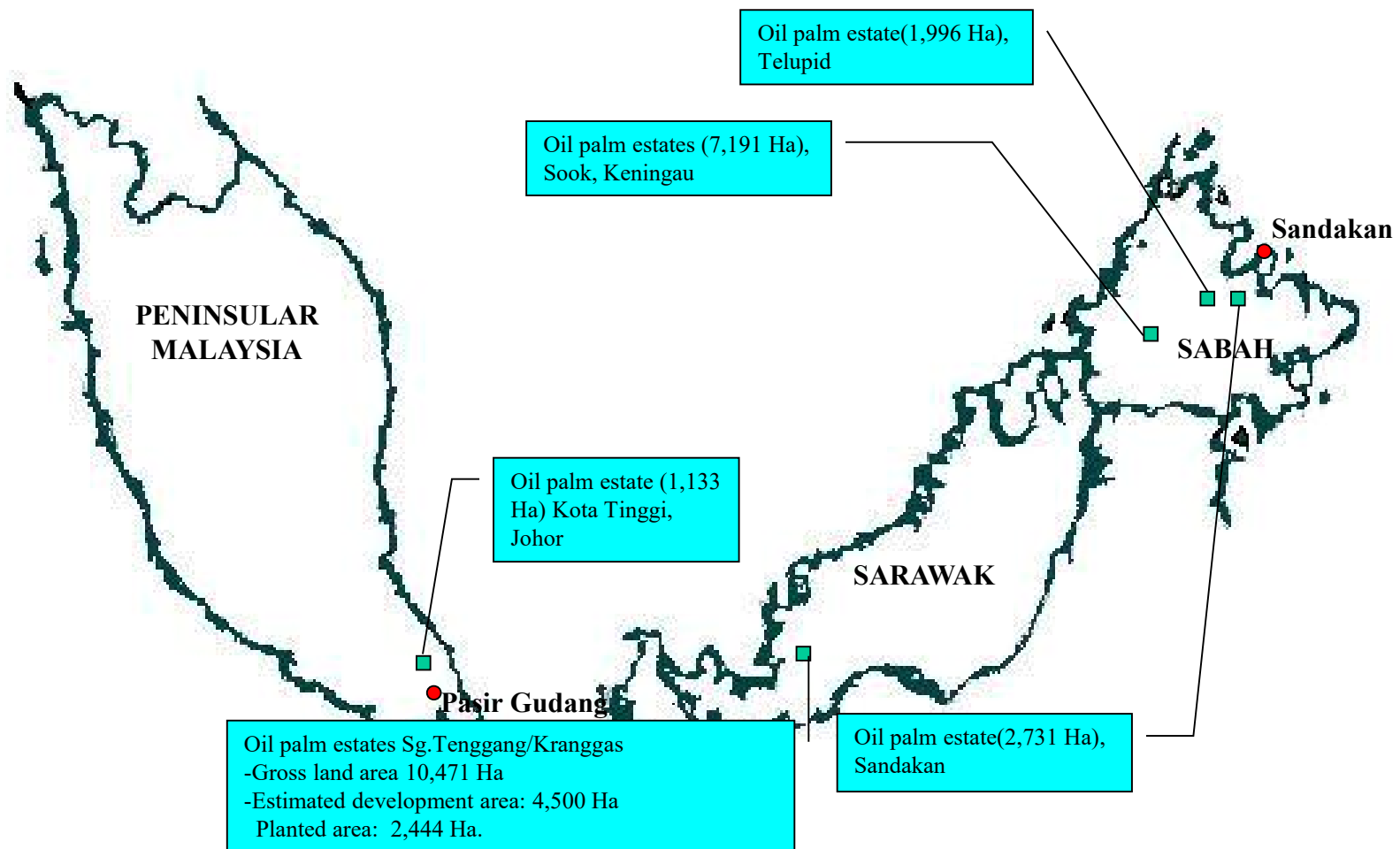
	Financial Year		3Q2021*
	2019	2020	
Net profit attributable to equity holders of the Company (RM'000)	52,123	41,061	84,895
Net dividend declared (RM'000)	56,016	28,008	65,353
Gross Dividend Per Share (sen)	6.0	3.0	7.0
Gross Dividend Yield (%)	4.8%	2.4%	5.2%
Dividend Pay-out (%)	107.5%	68.2%	77.0%
Market Price at period end (RM)	1.25	1.26	1.34
NTA per share at period end (RM)	0.79	0.77	0.82

* Based on unaudited 9-months results ended 31 October 2020.



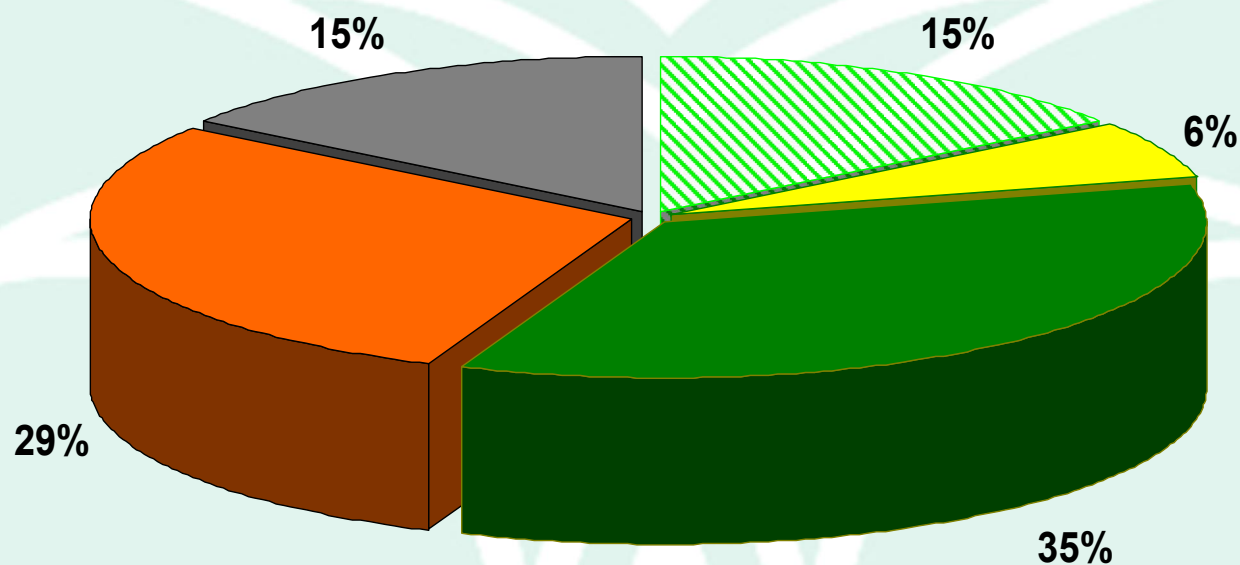
Plantation Operations :

LOCATION OF OPERATIONS





AGE PROFILE OF PALMS (AS AT 31 OCTOBER 2020)



 < 3 years  3 - 6 years  7 - 15 years  16 - 20 years  > 20 years

Total planted area: 14,792 hectares

- a) < 3 years (Immature) : 19%
- b) 3 – 6 years (Young mature) : 6%
- c) 7 – 15 year (Prime mature) : 34%
- d) 16 – 20 years (Old mature) : 28%
- e) > 20 years (Pre-replanting) : 13%



PRODUCTION

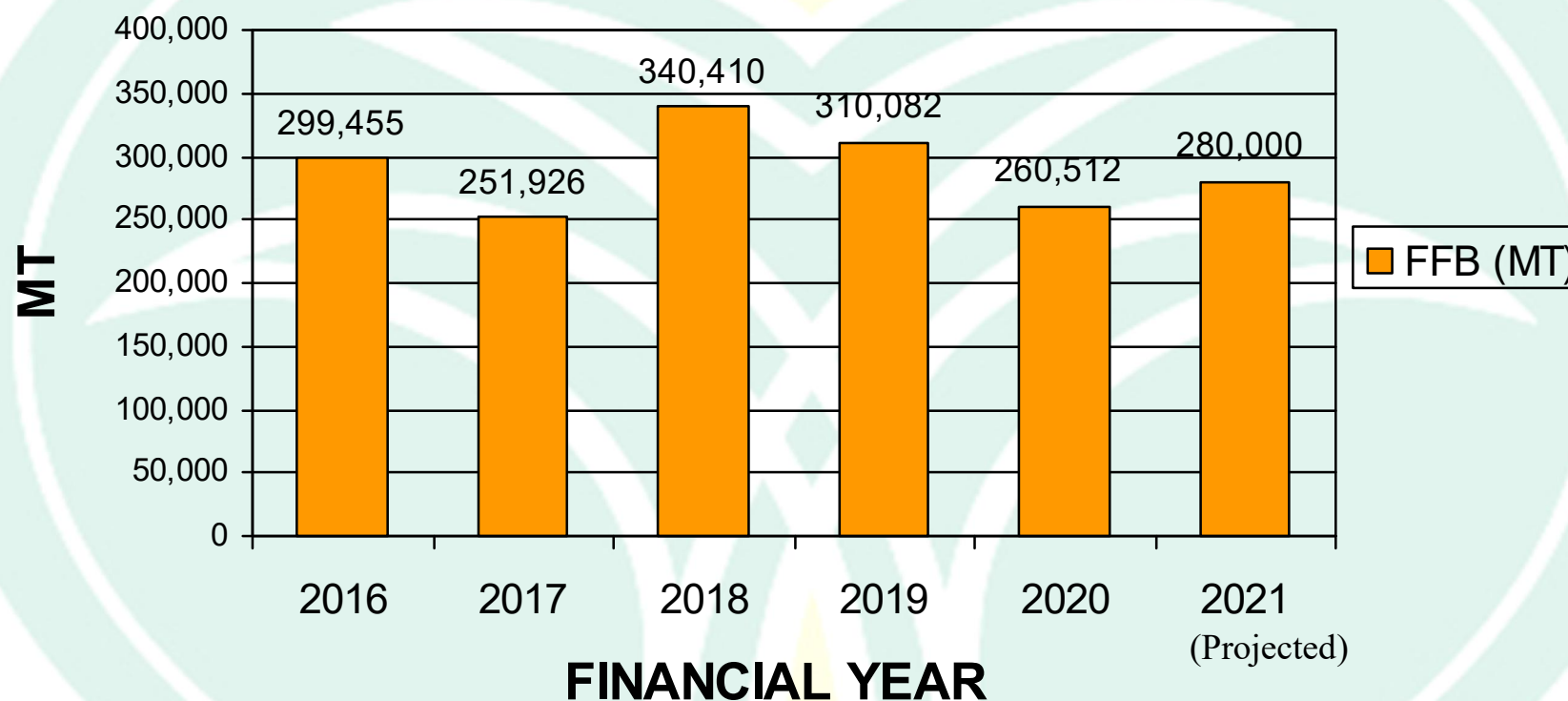
FINANCIAL YEAR

	2020	3Q20	3Q21	Q to Q % change
	(MT)	(MT)	(MT)	
FFB	260,512	207,456	220,279	6
CPO	247,659	192,306	224,219	17
PK	60,119	47,043	56,160	19





FFB PRODUCTION & PROJECTION

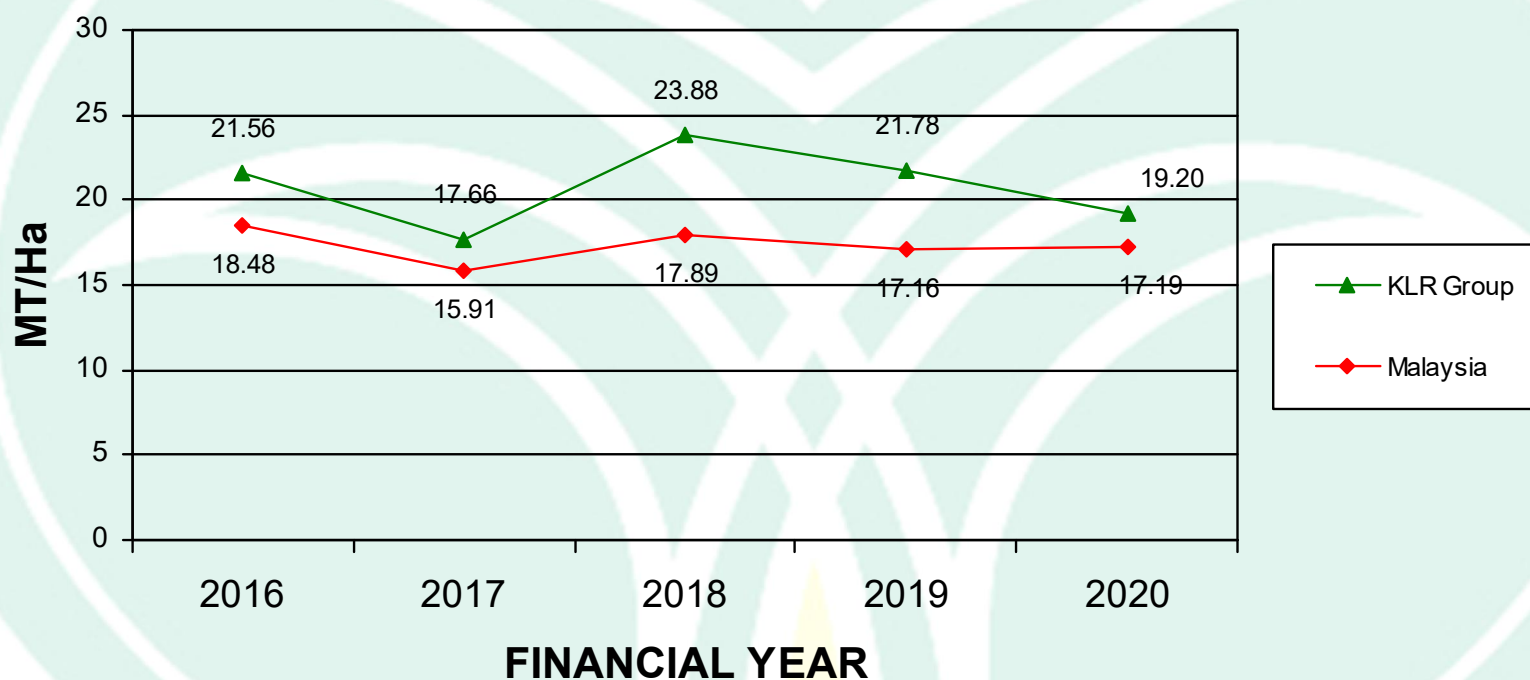


The projected FFB production for FY2021 is 280,000MT.

Note : Projection of production is based on existing land bank and impending completion of recent acquisition of landbank.



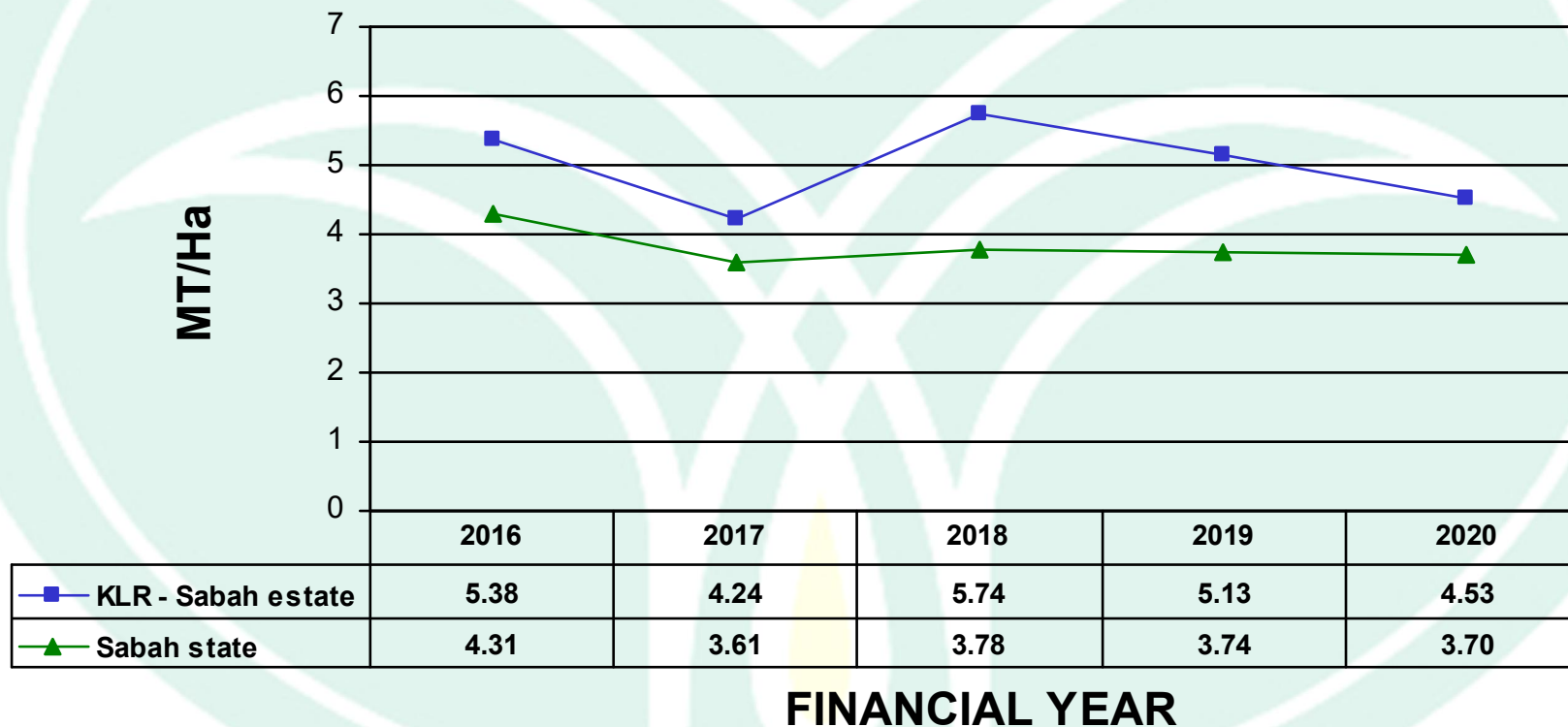
FFB YIELD PER HECTARE



1. Reduction in 2017 was mainly due to El-Nino which adversely affected our estates in Sabah.
2. Decline in 2020 was partly due to lower yield from young mature palms and deferment of peak crop cycle into following financial year.



OIL YIELD PER HECTARE



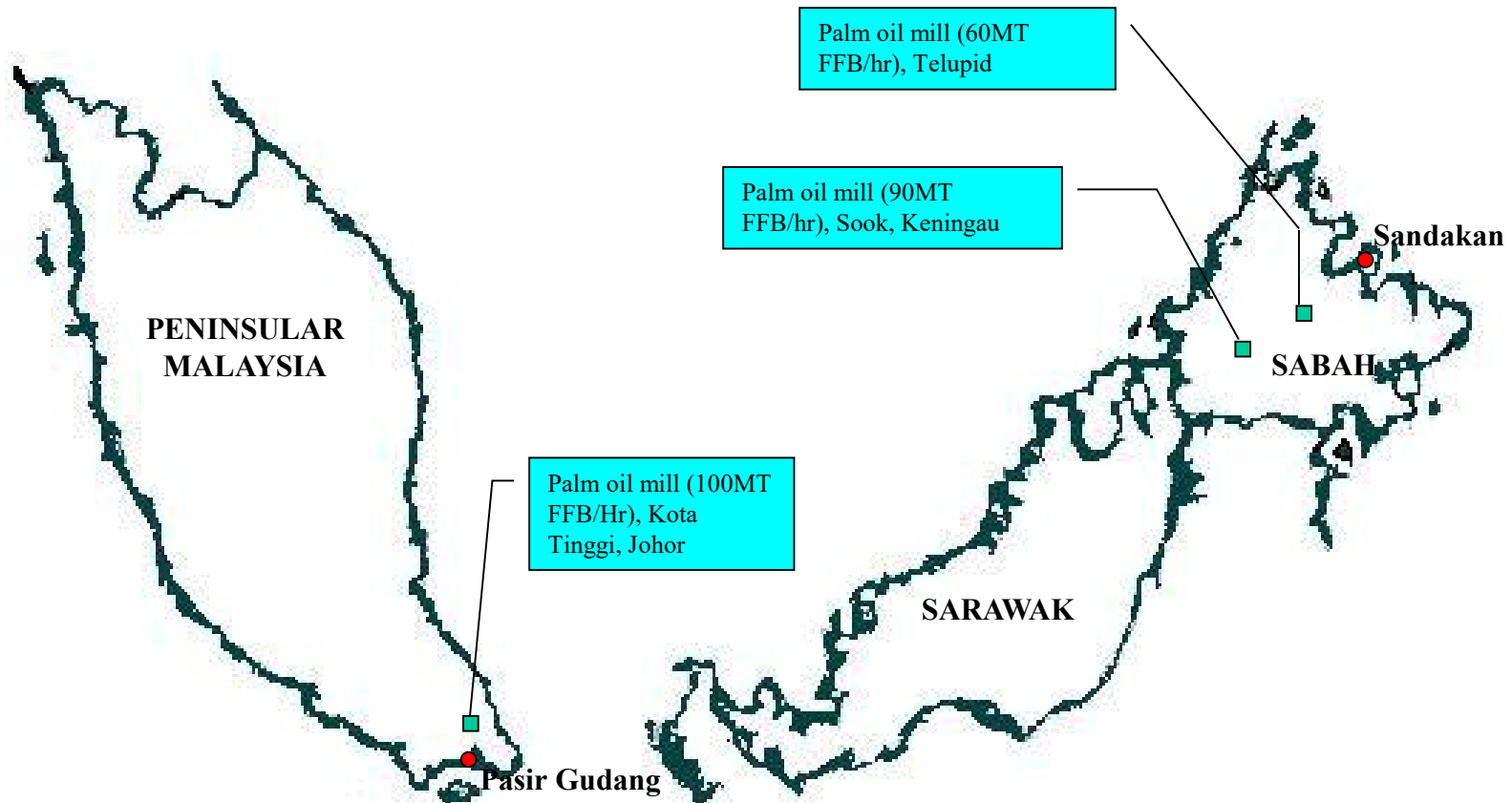
Note :

The statistics for Sabah state are extracted from MPOB web-site based on calendar year 2015 to 2019 whilst the figures from KLR are based on its financial year (Feb – Jan).

Palm Oil Milling: MILLING LOCATION

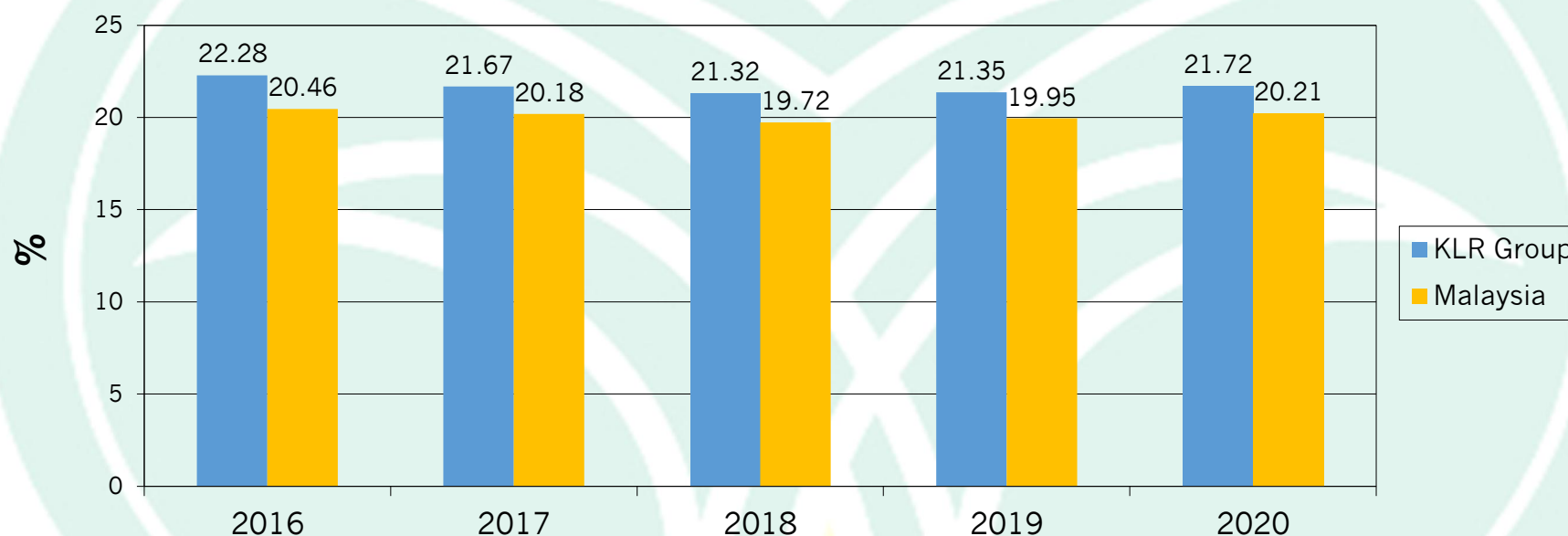


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CPO OER COMPARISON



Note :

FINANCIAL YEAR

The statistics for Malaysia National CPO extraction rates are extracted from MPOB web-site based on calendar year 2015 - 2019 whilst the figures from KLR Group are based on its financial year (Feb – Jan).

Achievements



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2019 All the plantations and mills under the Group have passed the Malaysian Sustainable Palm Oil (“MSPO”) audit and have obtained MSPO certification.

2017/2018 Keningau mill was awarded by MPOB as the best palm oil mill (External FFB source) in Sabah / Sarawak.

2018 & 2016/2017

Kim Loong Resources Berhad was awarded by The Edge in year 2018 and 2016 respectively as the highest returns to shareholders over three years in Malaysia (Plantation).

2013/2014 Telupid mill was awarded by MPOB as the highest OER mill (External FFB source) in Malaysia.

2007

- » Keningau mill was awarded by MPOB as the highest OER mill in Malaysia.
- » The FIRST Palm-pressed Fibre Oil Extraction (“PFOE”) plant.
- » The FIRST registered methane emission reduction CDM Project from palm oil mill effluent.

2005 Keningau mill was awarded by MPOB for achieving OER exceeding 25%.



Competitive Strengths

- **Majority of plantation area is in high yielding age. High FFB production generates strong cash flows and financial position.**
- **High OER and big milling capacity ensure our mills remain competitive.**
- **Improved efficiency and additional income from wastes and by-products in Mills.**
- **Good long term relationships with suppliers and customers.**
- **The Group's management has over 40 years experience in oil palm industry.**
- **Capable managers and supporting staffs in all business entities.**

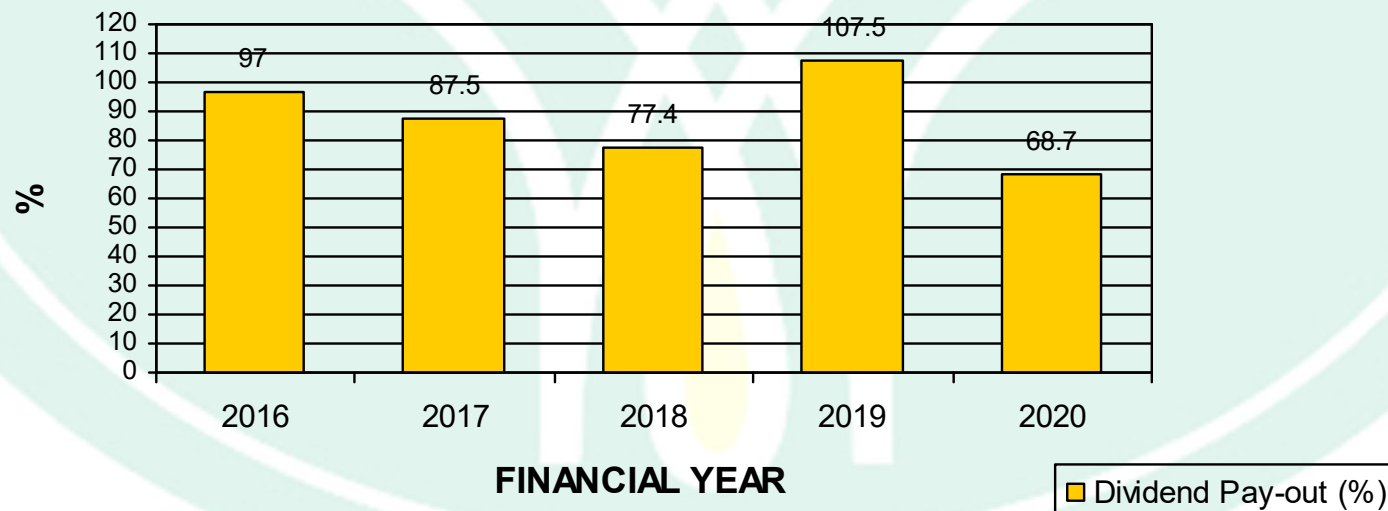
Dividend Policy



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Target Dividend Payout Ratio

- » We do not have a formal dividend policy but we are committed to pay-out at least 30% of profit.
- » Our pay-out rate in the past 5 years are as follows:





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BUSINESS OUTLOOK AND STRATEGIES



Recent Development

Plantation

- » On 19 February 2020, the Company announced that it entered into four (4) separate conditional Sale and Purchase Agreements with (1) Greenfingers Sdn. Bhd.; (2) R & H Sdn. Bhd.; (3) Bakti Perusahaan Sdn. Bhd.; and (4) Sri Handal Sdn. Bhd. (collectively referred to as “the Vendors”) to acquire oil palm plantation lands in Sabah with a total gross land area of approximately 2,862 acres (“the Acquisitions”). The total cash purchase consideration is RM92,538,290 which is approximately RM32,500 per acre.
- » The Acquisitions are not subject to the shareholders’ approval. However, the Acquisitions are subject to the relevant authorities’ approvals such as the Sabah’s Ministry of Agriculture and Fisheries.
- » Barring any further unforeseen circumstances, the Acquisitions are expected to be completed by the end of the first quarter of the year 2021.



Near Term Prospect

Plantation

- » The Group's FFB production for FY2021 is expected to be about 8% higher than FY2020.
- » We expect more contribution from our young palms in Sarawak and replanting in Sabah.
- » The Group's performance is expected to be good for the FY2021.
- » Continual replanting programme of approximately 1,000 Ha per year for old palms from 2021 to 2026.
- » FFB production is expected to come down gradually in view of replanting programme for estates in Sabah in coming years but to be cushioned by expected increase in yield from young mature areas from estates in Sarawak and Sandakan.



Near Term Prospect (continued)

Mill

- » Despite stiff competition from surrounding mills, we expect the milling processing quantity for FY2021 is expected to be about 17% higher than FY2020.
- » Estimated sales revenue for excess palm kernel shells to third parties is about RM17 million from our three mills in FY2021.
- » Palm fiber oil solvent extraction plants (“PFOE”) in our Kota Tinggi and Keningau mills are running satisfactorily.





Near Term Prospect (continued)

Mill

Power projects implementations in:

- » Mill at Kota Tinggi, Johor
 - 3 units (500 kilowatts gas engine each) from China for internal use.
 - 2 units caterpillar gas engine for supply to grid (1.8 megawatt) completed installation and commenced operation in June 2019.
 - For 9 months up to October 2020 in FY 2021, revenue of RM3.66 million has been generated from supplying power to TNB grid. Annual revenue of about RM6 million is expected from FY2021 onwards.
- » Mill at Keningau, Sabah
 - 2 units (500 kilowatts gas engine each) from China for internal use.
 - Installation of 2 units GE Jenbacher gas engine for supply to grid (2.0 megawatt) has commenced in September 2019 and is expected to commence operation in the second half of year 2021.
- » Mill at Telupid, Sabah
 - 2 units (500 kilowatts gas engine each) from China for internal use.
 - Successfully obtained approval for net export capacity of 1.5 megawatt per hour from SEDA Malaysia in September 2019 and Renewable Energy Power Purchase Agreement (“REPPA”) has been signed with SESB. Gas engines have been ordered and is expected to commence operations in year 2022.



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KLR Group's Future Plan

KLR's future plans are as follows:

- ❖ To source for additional plantation land in Sabah and Sarawak. However, RSPO restrictions is a major constraint.
- ❖ To source for suitable land for setting up a palm oil mill in Sarawak.
- ❖ To develop approximately 2,000 hectares of NCR land and State land in Sarawak when the lands are secured after negotiation with land owners / Pelita.
- ❖ To continue replanting of older palms to ensure continued growth in future FFB production.



Corporate Fact Sheet



KIM LOONG
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Corporate Address Lot 18.01, 18th Floor, Public Bank Tower
19, Jalan Wong Ah Fook,
80000 Johor Bahru, Johor, Malaysia

Directors

Gooi Seong Lim	<i>Executive Chairman</i>
Gooi Seong Heen	<i>Managing Director</i>
Gooi Seong Chneh	<i>Executive Director</i>
Gooi Seong Gum	<i>Executive Director</i>
Gan Kim Guan	<i>Senior Independent Director</i>
Chan Weng Hoong	<i>Independent Director</i>
Cheang Kwan Chow	<i>Independent Director</i>
Gooi Khai Chien	<i>Alternate Director to Mr. Gooi Seong Lim</i>
Gooi Chuen Kang	<i>Alternate Director to Mr. Gooi Seong Heen</i>



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Corporate Fact Sheet (continued)

Stock Exchange Listing	Main Market of Bursa Malaysia Securities Berhad	
Listed on	27 November 2000	
Issued shares	935.4 million shares	
Market Cap	RM1.5 billion (based on share price of RM1.60 on 31 December 2020)	
Major Shareholders (as at 31 December 2020)	Sharikat Kim Loong Sendirian Berhad	63.72%
	Teo Chuan Keng Sdn Bhd	2.18%
	Krishnan Chellam	1.63%
	Koperasi Polis DiRaja Malaysia Berhad	0.80%
	Adam Helmi Bin Timbas Helmi	0.64%
Financial year end	31 January	



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THANK YOU

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