



KIM LOONG
RESOURCES BERHAD

錦隆資源有限公司

197501000991(22703-K)

Corporate Profile

31 December 2022

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



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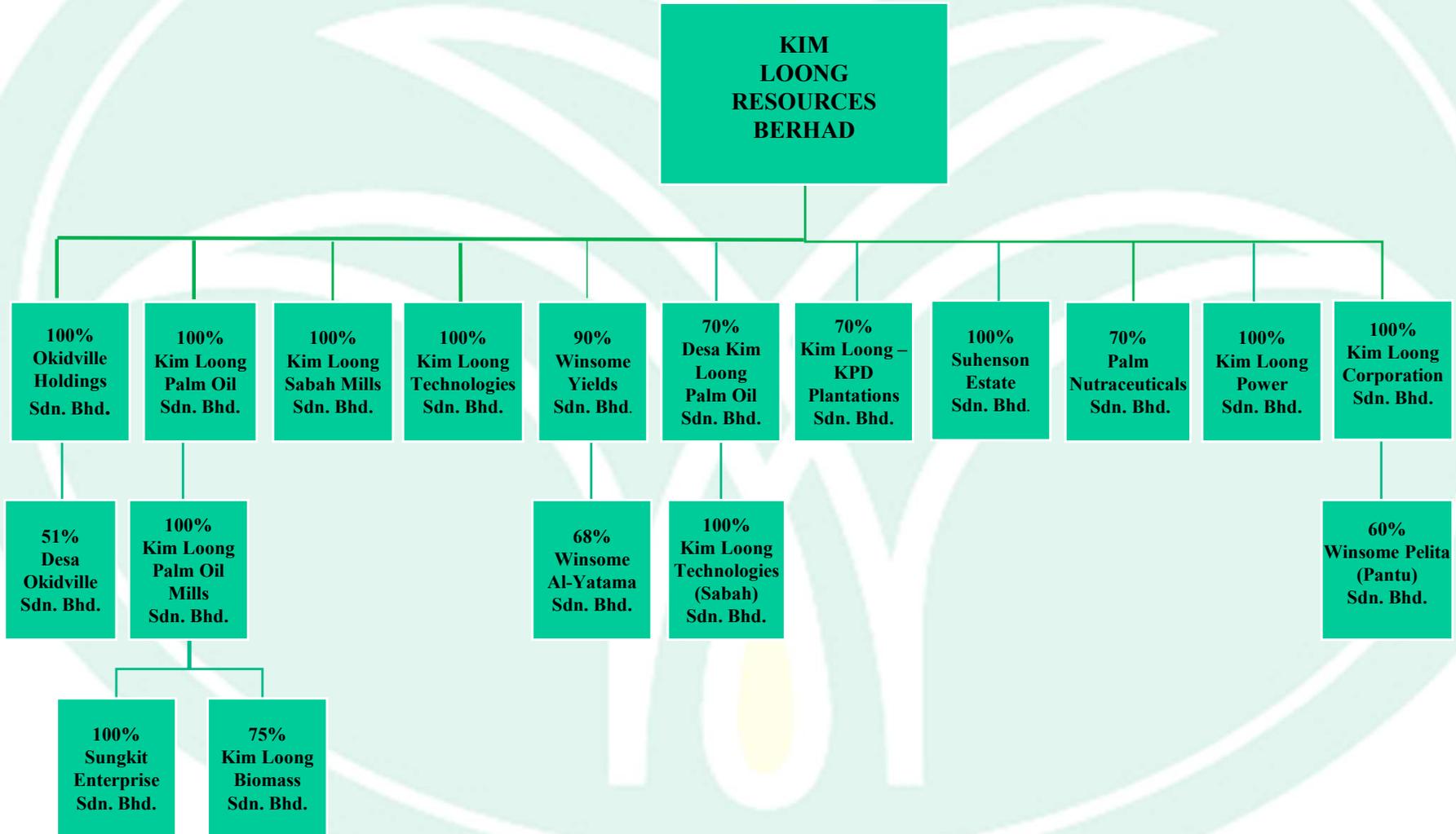
- KLR’s holding company, Sharikat Kim Loong Sendirian Berhad, had its beginning back in 1967 with a 1,000 acres rubber plantation in Ulu Tiram, Johor
- KLR is listed on the Main Market of Bursa Malaysia Securities Berhad since year 2000 and currently with a RM1.802 billion market capitalisation
- KLR is primarily involved in oil palm cultivation and related businesses which include the following:
 - About 17,000 Ha of oil palm plantations in Sabah, Sarawak and Johor
 - 3 palm oil mills located in Johor and Sabah with a total processing capacity of 250MT of FFB per hour





Group Structure (Active Companies Only)

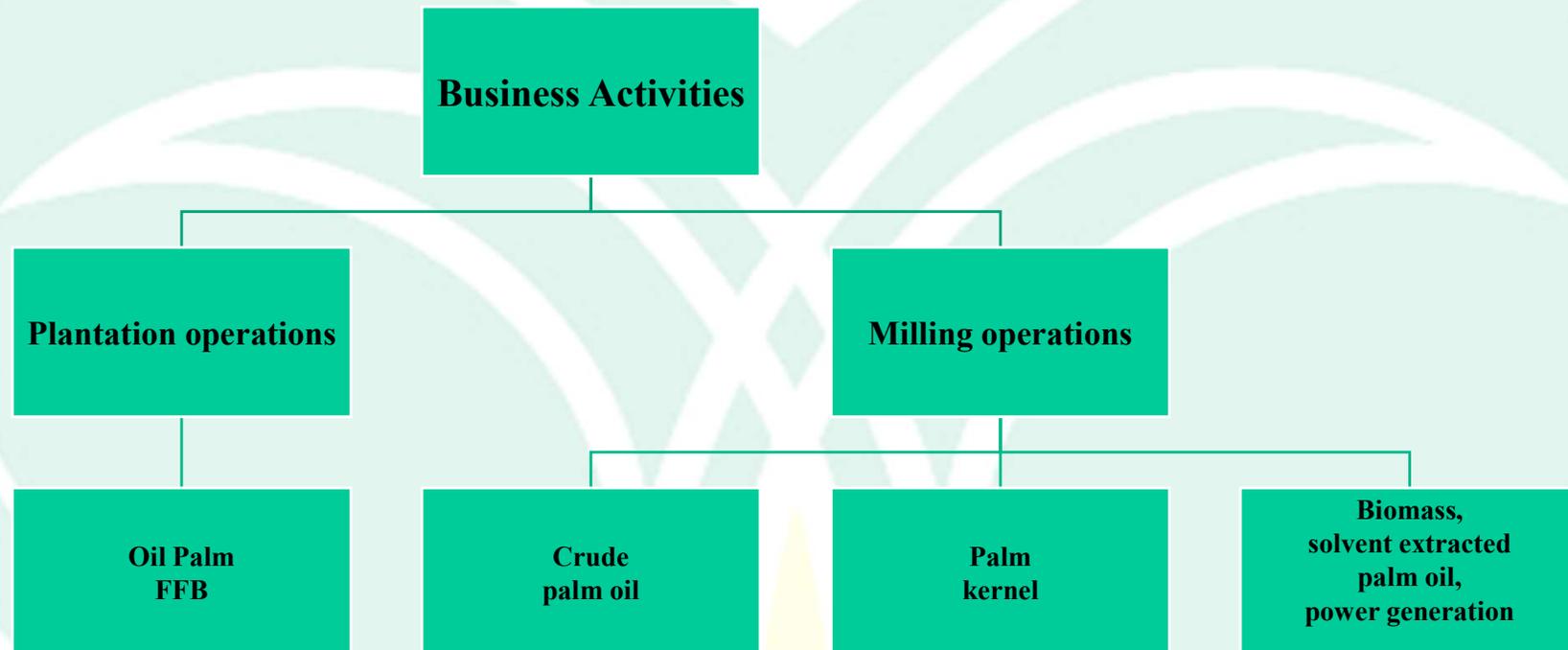
AS AT 31 JANUARY 2022



Principal activities



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Financial Highlights

FINANCIAL PERFORMANCE



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	Financial year		3Q2023*
	2021	2022	
Revenue (RM'000)	971,677	1,702,716	1,476,527
EBITDA (RM'000)	180,511	248,149	230,039
Profit before tax (RM'000)	144,551	210,331	198,895
Weighted Average No. of Share ('000)	933,607	947,227	966,279
Shareholders' equity (RM'000)	749,274	809,803	846,034
Basic earnings per share (Sen)	10.16	14.48	13.00
PE Ratio (times)	13.4	11.8	-
Return on Capital Employed (Pre-tax) [N1]	16.2%	21.3%	19.4%
Return on Total Equity (Pre-tax)	17.1%	22.9%	20.6%
Return on Total Assets (Pre-tax)	13.3%	16.6%	15.5%
Gearing	0.06	0.07	0.06

N1 : Capital Employed includes Total Equity and Bank Borrowings.

* Based on unaudited 9-months results ended 31 October 2022.

Financial Highlights (continued)

ANALYSIS BY SEGMENTS



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	Financial Year		3Q2023*
	2021	2022	
REVENUE	RM'000	RM'000	RM'000
Plantation	143,143	220,572	201,378
Palm Oil Milling	945,308	1,663,794	1,442,936
Less : Inter-segment eliminations	(116,774)	(181,650)	(167,787)
TOTAL GROUP	971,677	1,702,716	1,476,527
RESULTS			
Plantation	71,147	120,326	116,247
Palm Oil Milling	73,766	96,120	81,570
	144,913	216,446	197,817
Inter-segment adjustments and eliminations	561	(1,537)	(1,613)
Unallocated cost **	(8,396)	(8,088)	(323)
Finance income	8,482	5,449	4,766
Finance cost	(1,009)	(1,939)	(1,752)
Profit before tax	144,551	210,331	198,895

* Based on unaudited 9-months results ended 31 October 2022.

** 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		3Q2023*
	2021	2022	
Net profit attributable to equity holders of the Company (RM'000)	94,891	136,580	125,640
Net dividend declared (RM'000)	93,970	135,177	96,697
Gross Dividend Per Share (sen)	10.0	14.0	10.0
Gross Dividend Yield (%)	7.4%	8.2%	6.0%
Dividend Pay-out (%)	99.0%	99.0%	77.0%
Market Price at period end (RM)	1.36	1.70	1.68
NTA per share at period end (RM)	0.80	0.84	0.87

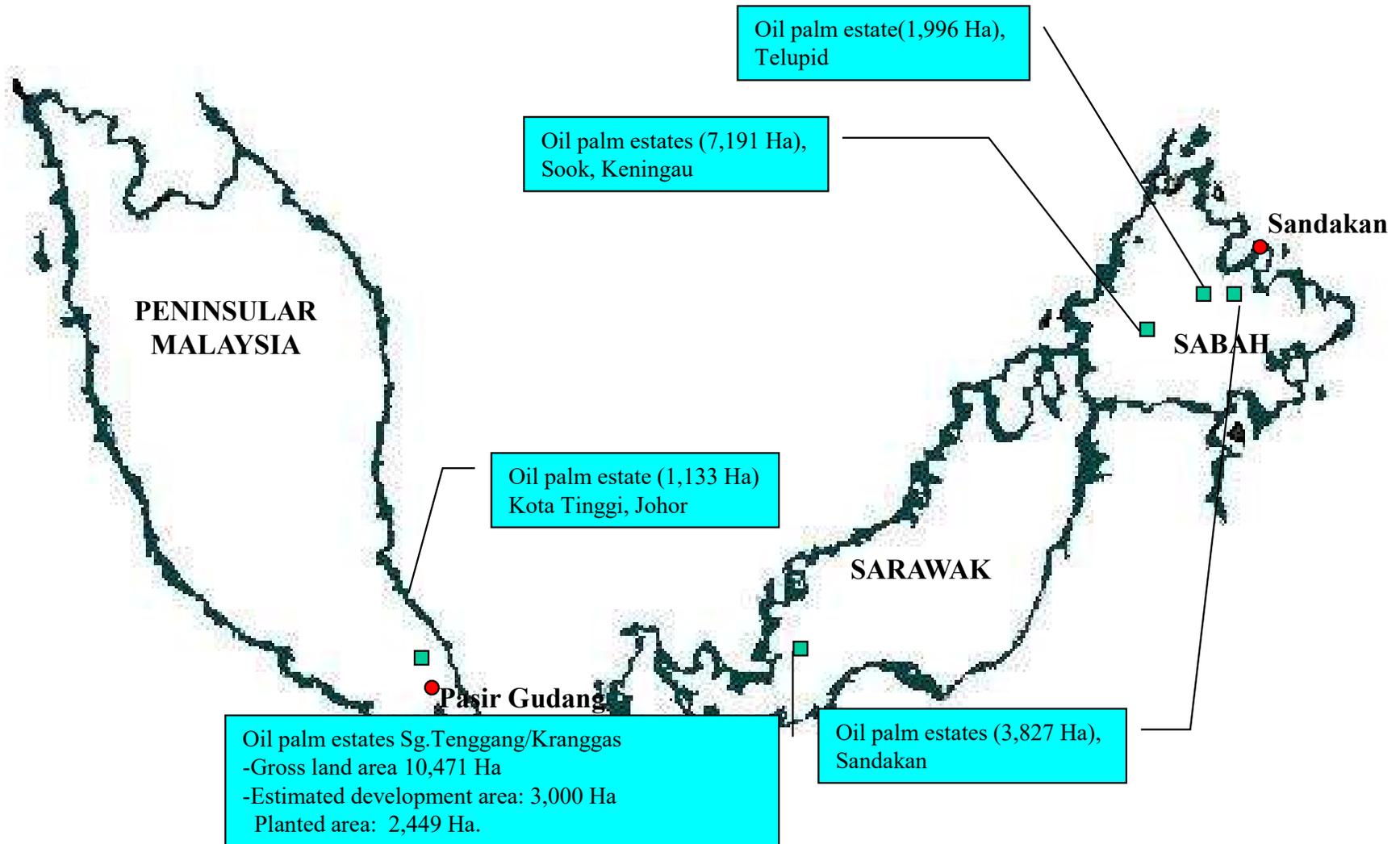
* Based on unaudited 9-months results ended 31 October 2022.

Plantation Operations :

LOCATION OF OPERATIONS

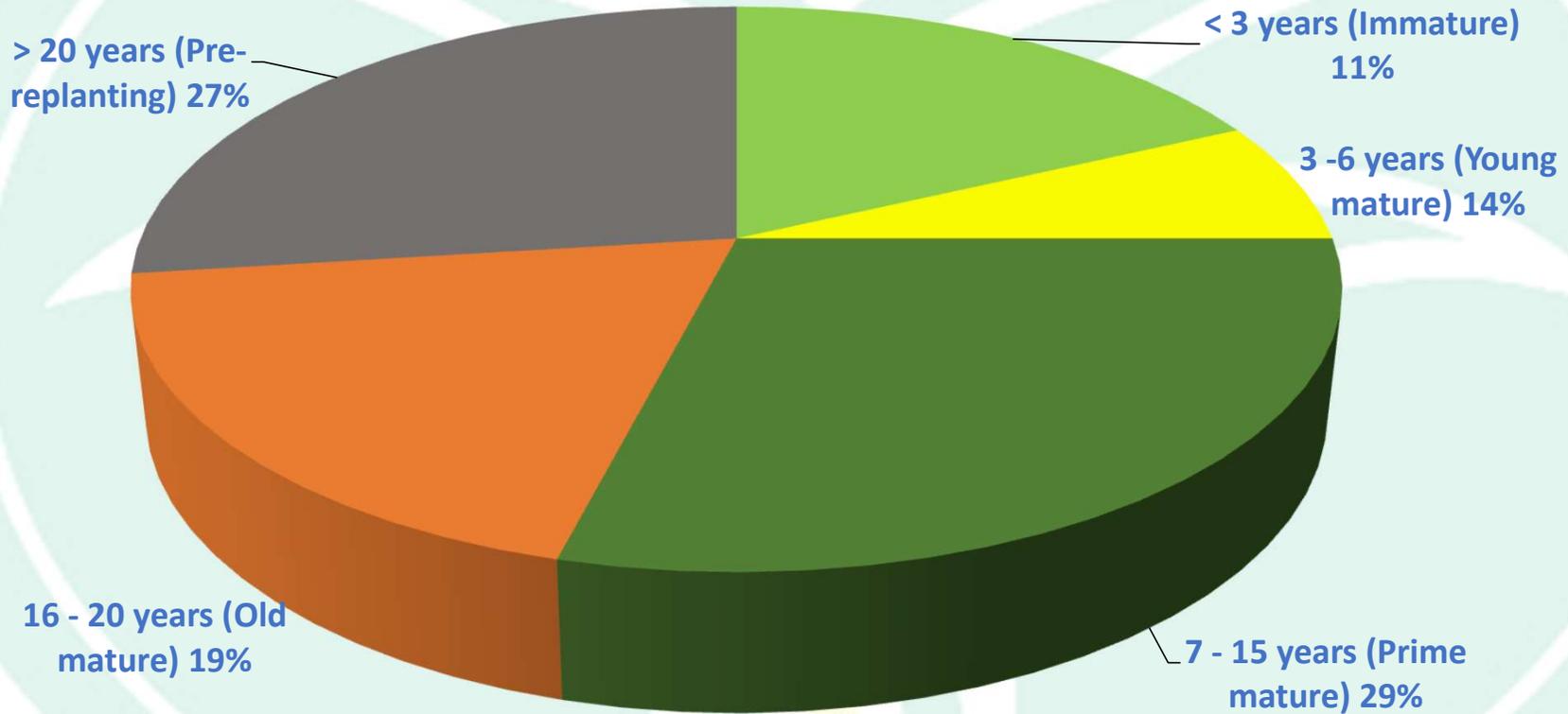


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AGE PROFILE OF PALMS (AS AT 31 OCTOBER 2022)



Total planted area: 15,940 hectares



PRODUCTION

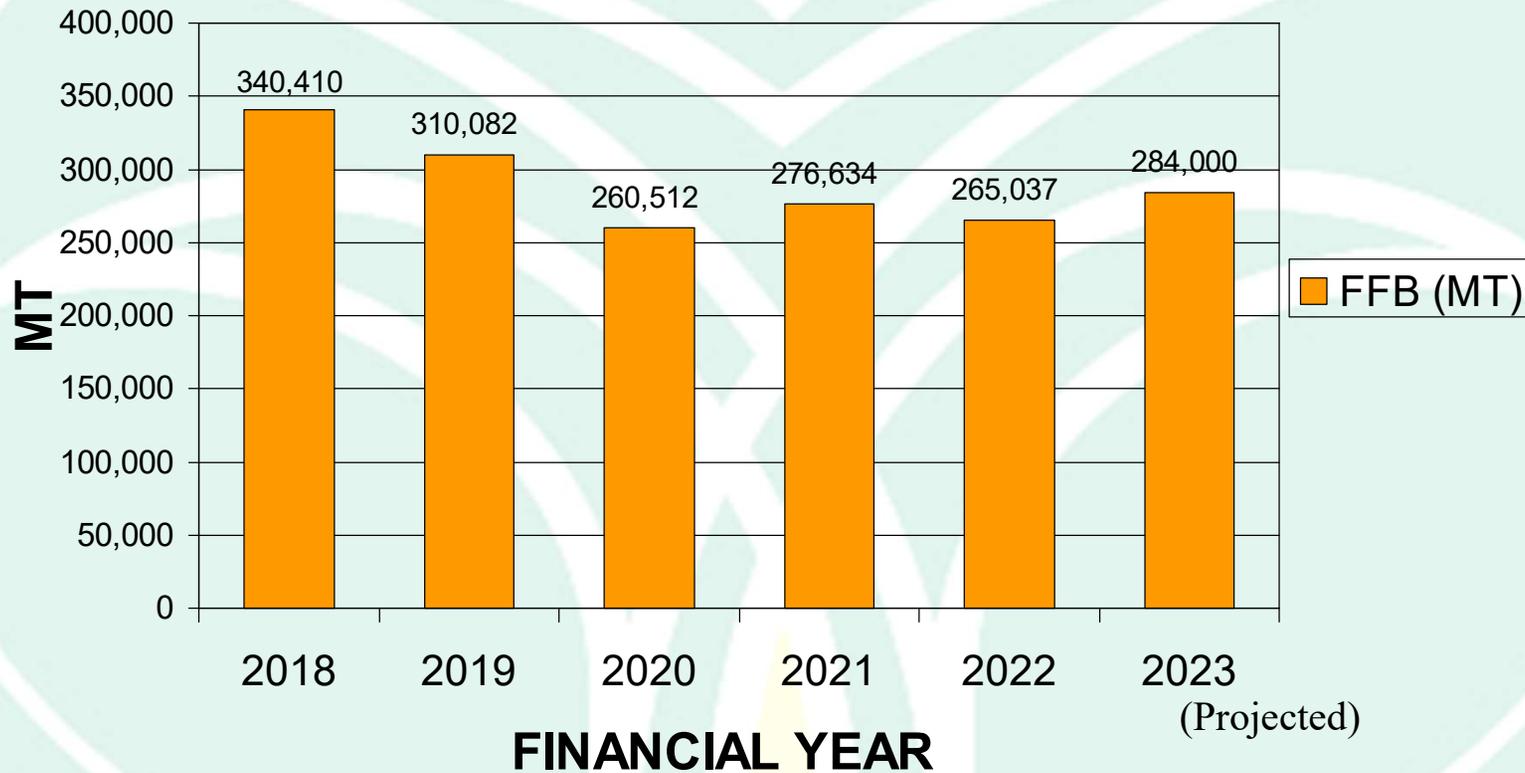
FINANCIAL YEAR

	2022	3Q22	3Q23	Q to Q % change
	(MT)	(MT)	(MT)	
FFB	265,037	197,511	203,868	3%
CPO	311,752	233,048	240,829	3%
PK	75,373	56,570	60,001	6%





FFB PRODUCTION & PROJECTION

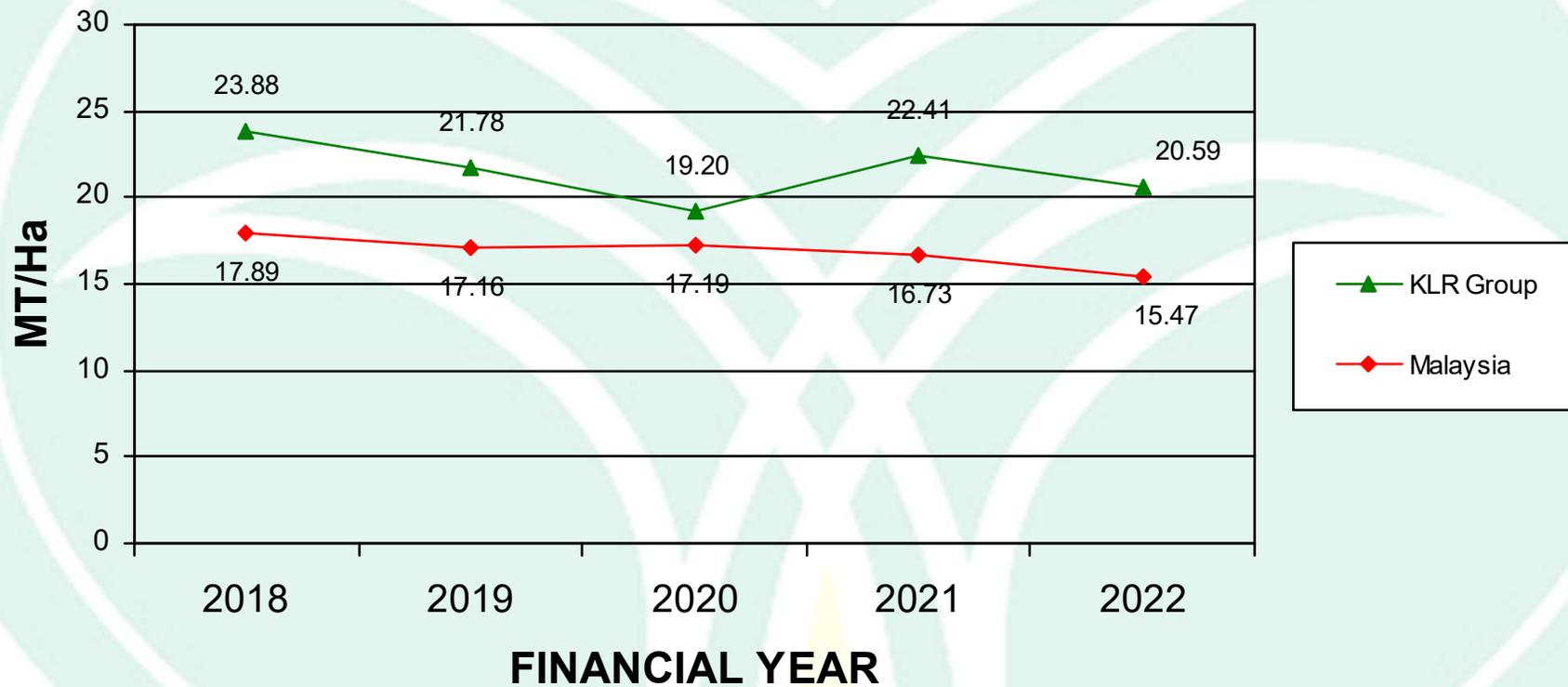


The projected FFB production for FY2023 is 284,000MT.

Note : Projection of production is based on existing land bank.



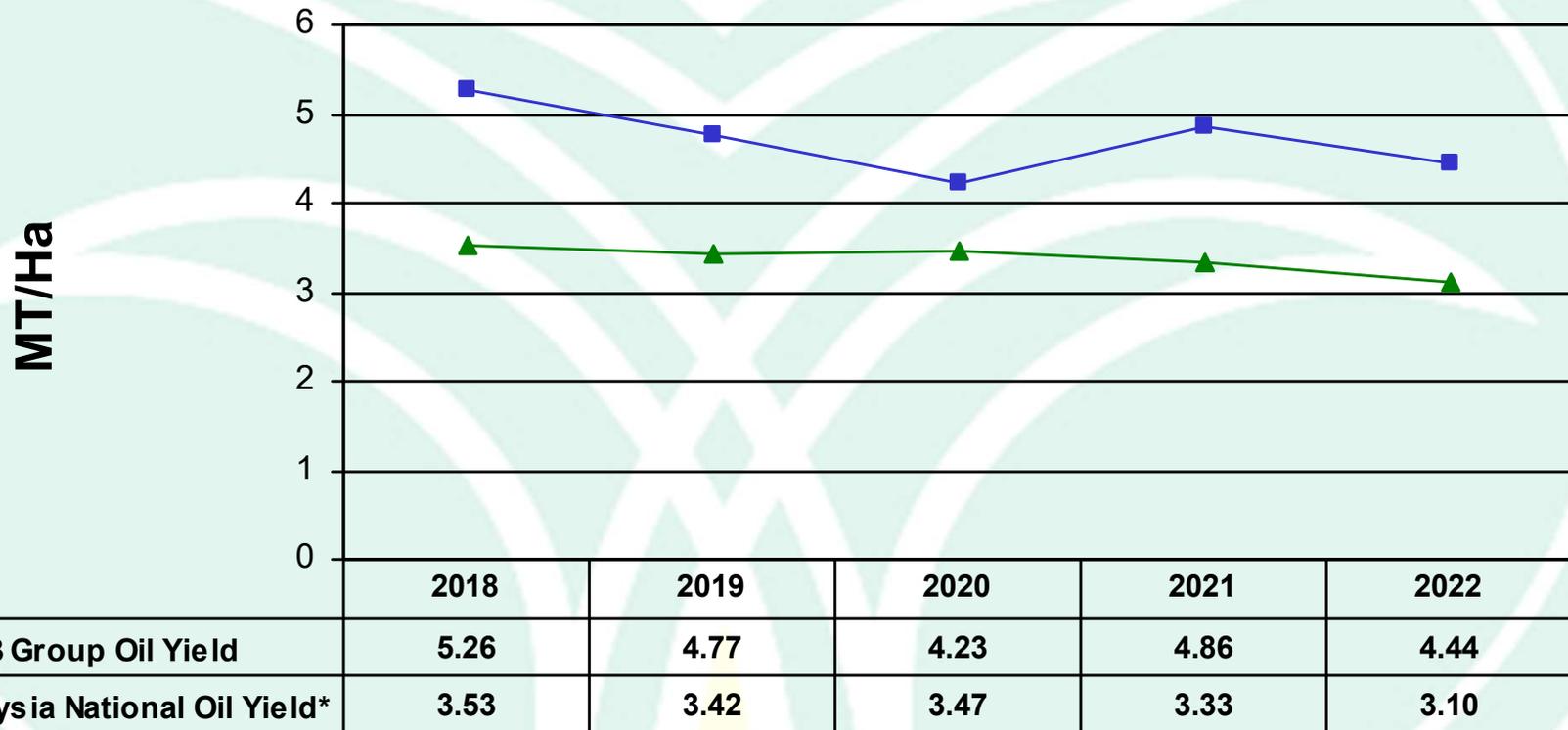
FFB YIELD PER HECTARE



1. 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



FINANCIAL YEAR

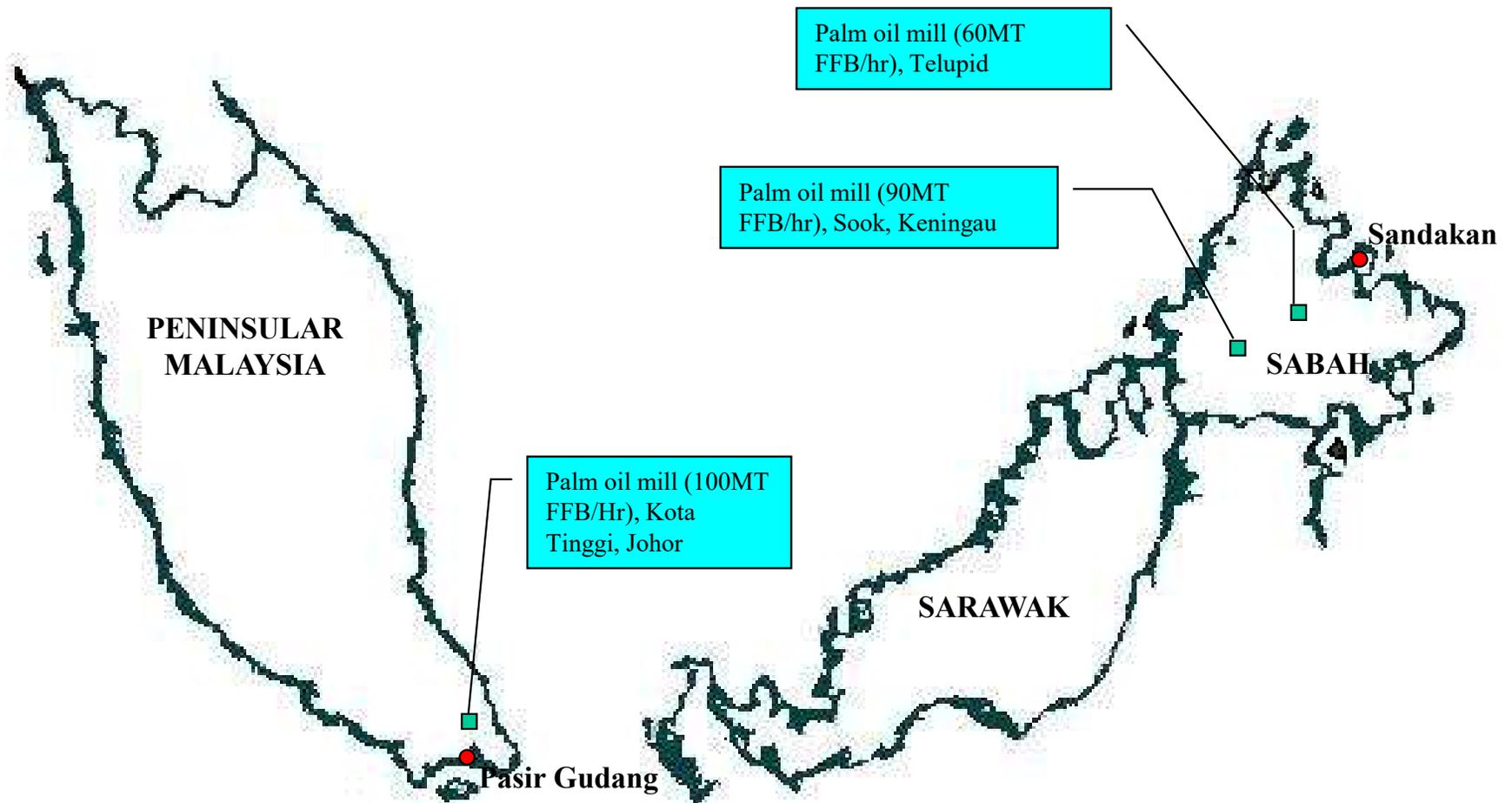
Note :
The statistics for Malaysia National CPO extraction rates are extracted from MPOB web-site based on calendar year 2017 to 2021 whilst the figures from KLR group are based on its financial year (Feb – Jan).

Palm Oil Milling:

MILLING LOCATION

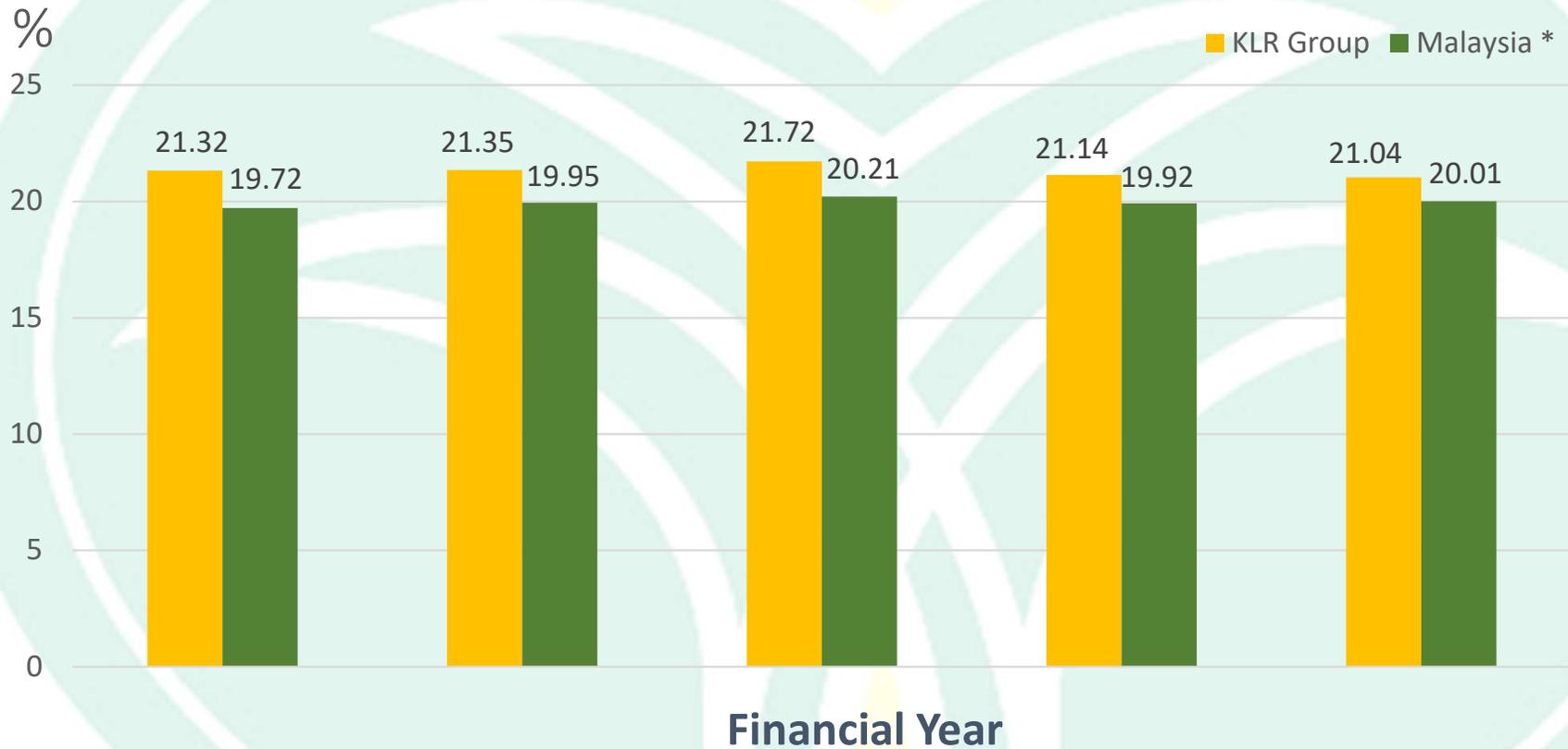


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CPO OER COMPARISON



Note :

*The statistics for Malaysia National CPO extraction rates are extracted from MPOB web-site based on calendar year 2017 - 2021 whilst the figures from KLR Group are based on its financial year (Feb – Jan).



Environmental, Sustainability and Governance (ESG)

Environmental

- Zero burning in land clearing
- Soil enrichment and conservation program
- Riparian reserves
- Reduction of greenhouse gas emission
- Waste and effluent management

Sustainability

- Human and workers rights
- Health and safety
- Freedom of association and collective bargaining
- Improving the quality of life
- Diversity and inclusion
- Contribution to society

Governance

- Anti-bribery and anti-corruption policy
- Transparency
- Shareholder rights



Green Practices

Mill

- We have implemented three methane capture facilities for the renewable power generation projects at our three mills which reduce greenhouse gas emissions as well as reducing the reliance on diesel power generator during start-up or low crop period.
* latest progress refer Near Term Prospect under Mill (power projects)
- Our effluent treatment systems allow capturing of greenhouse gas to minimise greenhouse gas emission to the atmosphere and are adequately designed to meet the discharge parameter mandated.
- The amount of GHG (Methane) captured or destroyed in cubic meters based on readings of our three mills in the FY2022 was 29,791,000m³ (FY2021: 31,354,000m³). In the FY2023, we have recorded 25,015,000m³ for 9 months up to 31 October 2022.

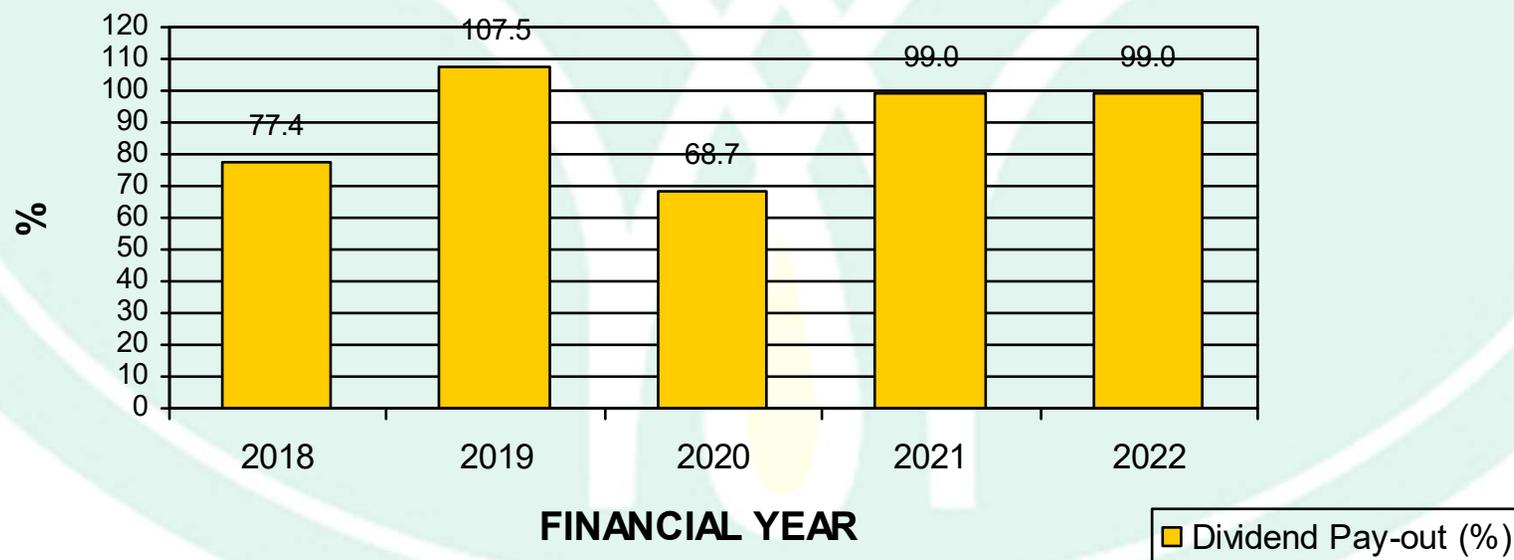
Plantation

- The Group adheres strictly to the policy of zero burning in both new planting and replanting of oil palm. Zero burning keeps the air smoke-free. The remnants debris, comprising bushes or small trees which are felled, are shredded and spread in the field to biodegrade, releasing nutrients slowly, add valuable organic matter to the soils, reducing the use of fertilisers during the immature period.
- Planting of leguminous cover crop in new planting and replanted areas. The fast-growing plants provide cover to protect the soil and build up nutrients in the topsoil as well as to suppress weed.
- Solid organic waste material generated from the milling operations such as decanter cake and empty fruit bunches (“EFB”) are applied in fields, especially at marginal soil areas. Schedule wastes are disposed off properly.

Dividend Policy

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



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Plantation

- » On 9 February 2021, the Group took physical possession of net title area of 2,708 acres which is equivalent to 95% of total 2,862 acres of oil palm plantation lands from the vendors, namely (1) Greenfingers Sdn. Bhd.; (2) R & H Sdn. Bhd.; (3) Bakti Perusahaan Sdn. Bhd.; and (4) Sri Handal Sdn. Bhd. whilst pending the fulfilment of all Conditions Precedent by the vendors. On 20 May 2021, the Group decided to terminate the purchase of one remaining land measuring approximately 140 acres due to unfulfillment of Conditions Precedent.
- » All Conditions Precedent for the 2,708 acres were fully fulfilled on 14 January 2022 and the acquisitions were completed on 12 May 2022.
- » The additional plantation lands have contributed 26,000 MT of FFB and substantial profits to the Group in FY2022.

Near Term Prospect



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Plantation

- » The Group's FFB production for FY2023 is expected to be about 7% higher than FY2022 if labour shortage problem does not deteriorate further.
- » The Group is expected to perform well for the FY2023 on the account of average CPO price.
- » In view of current strong CPO price, the Management has adjusted replanting programme with deferment on areas which continue to contribute good yield and planned to resume major replanting activity from year 2024 onwards.



Near Term Prospect (continued)



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Mill

- » Despite stiff competition from surrounding mills, we expect the total mill processing quantity for FY2023 to be above 1.5 million MT which is slightly higher than FY2022.
- » Estimated sales revenue for excess palm kernel shells to third parties is about RM25 million from our three mills in FY2023.
- » Palm fiber oil solvent extraction plants (“PFOE”) in our Kota Tinggi and Keningau mills are running satisfactorily, contributing substantial revenue and profit for the Group.



Near Term Prospect (continued)

Mill

Power projects implementation in:

- » Mill at Kota Tinggi, Johor
 - 3 units of 500 kilowatts gas engine for internal use.
 - Successfully obtained approval for net export capacity of 1.8 megawatt per hour from Sustainable Energy Development Authority (“SEDA”) Malaysia in April 2015 and Renewable Energy Power Purchase Agreement (“REPPA”) has been signed with Tenaga Nasional Berhad (“TNB”).
 - Installation of 2 units of 1.2 megawatts gas engine for supplying electricity to TNB grid was completed and commenced operation in June 2019.
 - For 9 months up to October 2022 in FY 2023, revenue of RM3.5 million has been generated from supplying power to TNB grid. Annual revenue of about RM5 million is expected from FY2023 onwards.
- » Mill at Keningau, Sabah
 - 2 units of 500 kilowatts gas engine for internal use.
 - Successfully obtained approval for net export capacity of 2.0 megawatt per hour from SEDA Malaysia in December 2016 and REPPA has been signed with Sabah Electricity Sdn. Bhd. (“SESB”).
 - Installation of 2 units of 1.2 megawatts gas engine for supply to SESB grid has commenced in September 2019 and completed in February 2022. Our biogas plant has commenced supply of power to grid in December 2022.



Near Term Prospect (continued)

Mill (continued)

Power projects implementation in: (continued)

- » Mill at Telupid, Sabah
 - 2 units of 500 kilowatts gas engine for internal use.
 - Successfully obtained approval for net export capacity of 1.5 megawatt per hour from SEDA Malaysia in September 2019 and REPPA has been signed with SESB.
 - Installation of 2 units of 0.9 megawatts biogas engines is in progress and is expected to commence operation to supply power to grid in the first half of the FY2024.



KLR Group's Future Plan



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KLR's future plans are as follows:

- ❖ To source for additional plantation land in Sabah and Sarawak. However, compliance with MSPO restrictions and ESG policies are major constraints.
- ❖ To source for suitable land and apply for license to set up a palm oil mill in Sarawak.
- ❖ To continue replanting of older palms to ensure continued growth in future FFB production.
- ❖ To improve mechanisation of plantations systems.



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	Executive Chairman	Gooi Khai Chien	Alternate Director to Mr. Gooi Seong Lim
Gooi Seong Heen	Managing Director	Gooi Chuen Kang	Alternate Director to Mr. Gooi Seong Heen
Gooi Seong Chneh	Executive Director	Soh Ban Ting (f)	Independent Director
Gooi Seong Gum	Executive Director	Dr. Chee Yau Kuan	Independent Director
Yong Chung Sin	Senior Independent Director	@ Chia Yan Kuan	

Corporate Fact Sheet (continued)

Stock Exchange Listing	Main Market of Bursa Malaysia Securities Berhad	
Listed on	27 November 2000	
Issued shares	968.78 million shares	
Market Cap	RM1.802 billion (based on share price of RM1.86 on 31 December 2022)	
Major Shareholders (as at 30 Dec 2022)	Sharikat Kim Loong Sendirian Berhad	64.58%
	Teo Chuan Keng Sdn Bhd	2.12%
	Krishnan Chellam	1.57%
	Maybank Nominees (Tempatan) Sdn Bhd	1.11%
	Cimsec Nominees (Tempatan) Sdn Bhd	1.07%
Financial year end	31 January	



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THANK YOU

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