



**KIM LOONG**  
RESOURCES BERHAD

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錦隆資源有限公司

197501000991(22703-K)

## **Corporate Profile**

31 March 2023

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



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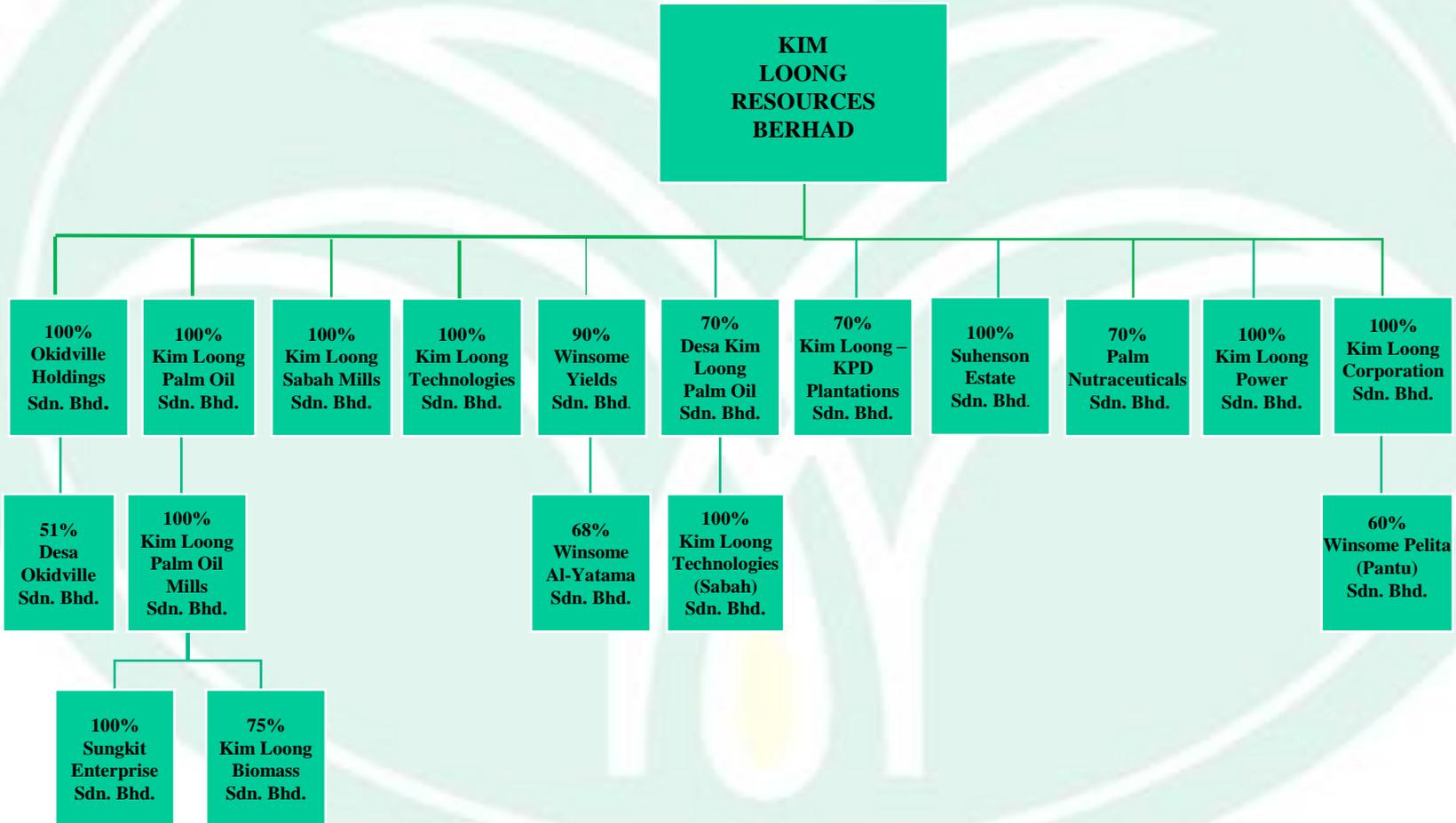
- KLR’s holding company, Sharikat Kim Loong Sendirian Berhad, had its beginning back in 1967 with a 1,000 acres rubber plantation in Ulu Tiram, Johor
- KLR is listed on the Main Market of Bursa Malaysia Securities Berhad since year 2000 and currently with a RM1.78 billion market capitalisation
- KLR 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)

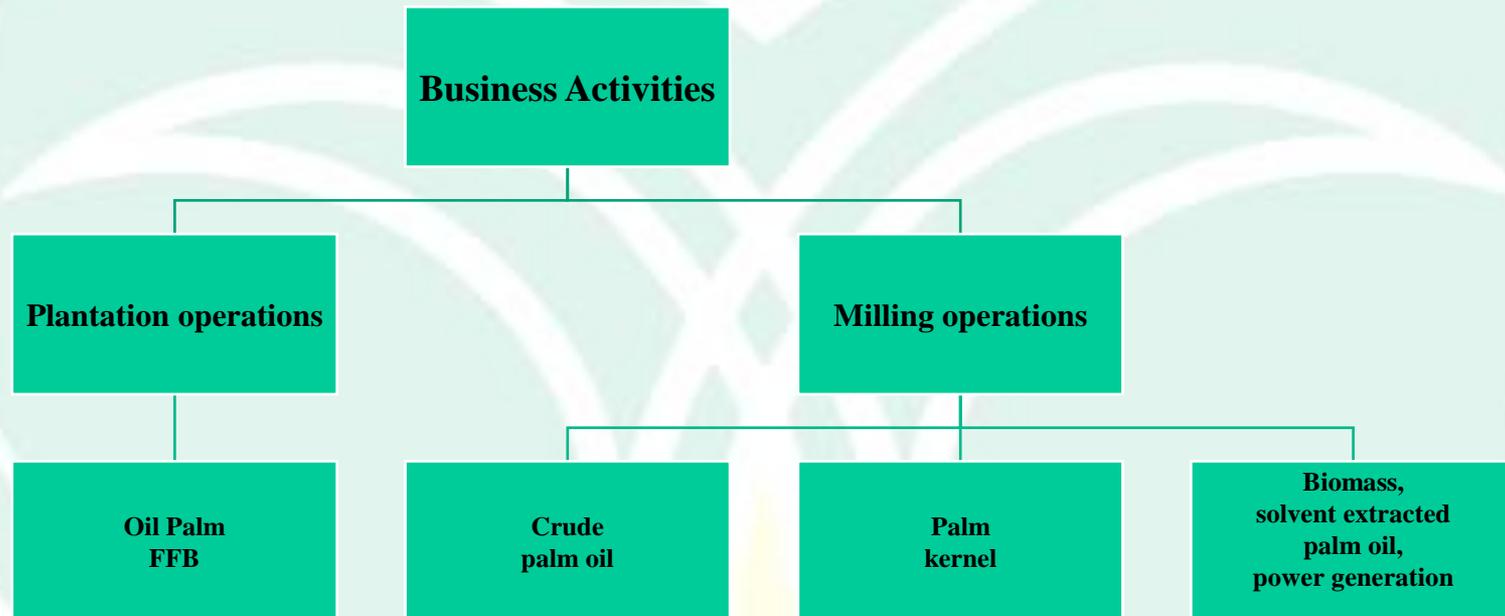
AS AT 31 JANUARY 2023



# Principal activities



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# Financial Highlights

## FINANCIAL PERFORMANCE



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	Financial year	
	2022	2023 *
Revenue (RM'000)	1,702,716	1,908,343
EBITDA (RM'000)	248,149	295,079
Profit before tax (RM'000)	210,331	252,843
Weighted Average No. of Share ('000)	947,227	966,455
Shareholders' equity (RM'000)	809,803	834,691
Basic earnings per share (Sen)	14.42	16.82
PE Ratio (times)	11.8	10.6
Return on Capital Employed (After-tax) [N1]	16.9%	19.8%
Return on Total Equity (After-tax)	18.2%	21.0%
Return on Total Assets (After-tax)	13.2%	15.8%
Gearing	0.07	0.06

N1 : Capital Employed includes Total Equity and Bank Borrowings.

\* Based on unaudited 12-months results ended 31 January 2023.

# Financial Highlights (continued)

## ANALYSIS BY SEGMENTS

	Financial Year	
	2022 RM'000	2023 * RM'000
<b>REVENUE</b>		
Plantation	220,572	263,954
Palm Oil Milling	1,663,794	1,866,579
Less : Inter-segment eliminations	(181,650)	(222,190)
<b>TOTAL GROUP</b>	<b>1,702,716</b>	<b>1,908,343</b>
<b>RESULTS</b>		
Plantation	120,326	147,000
Palm Oil Milling	96,120	110,827
	216,446	257,827
Inter-segment adjustments and eliminations	(1,537)	(1,552)
Unallocated cost **	(8,088)	(7,742)
Finance income	5,449	6,712
Finance cost	(1,939)	(2,402)
<b>Profit before tax</b>	<b>210,331</b>	<b>252,843</b>

\* Based on unaudited 12-months results ended 31 January 2023.

\*\* 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

	Financial Year	
	2022	2023 *
Net profit attributable to equity holders of the Company (RM'000)	136,580	162,561
Net dividend declared (RM'000)	135,177	145,056
Gross Dividend Per Share (sen)	14.0	15.0
Gross Dividend Yield (%)	8.2%	8.4%
Dividend Pay-out (%)	99.0%	89.2%
Market Price at period end (RM)	1.70	1.79
NTA per share at period end (RM)	0.84	0.86

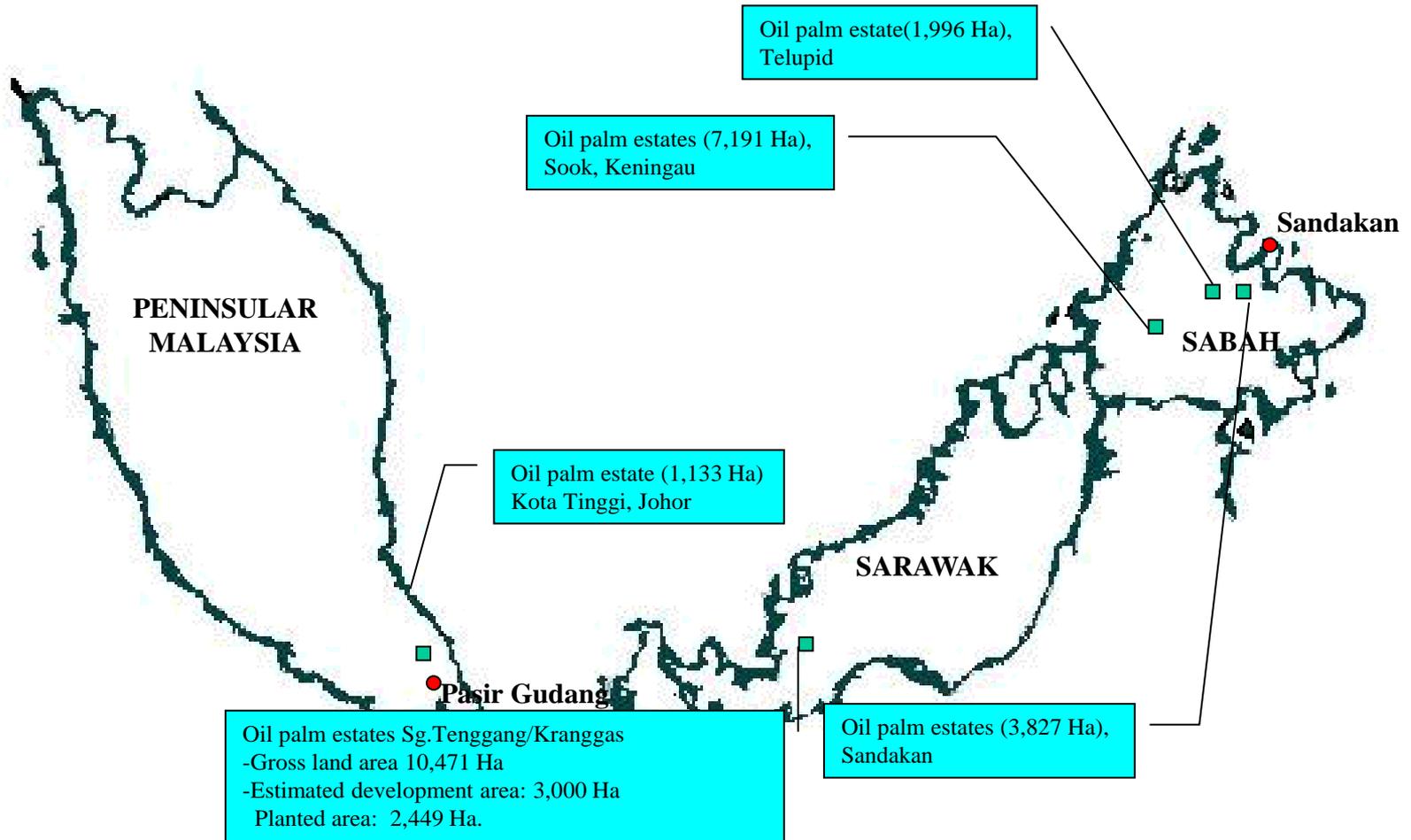
\* Based on unaudited 12-months results ended 31 January 2023.

# Plantation Operations :

## LOCATION OF OPERATIONS

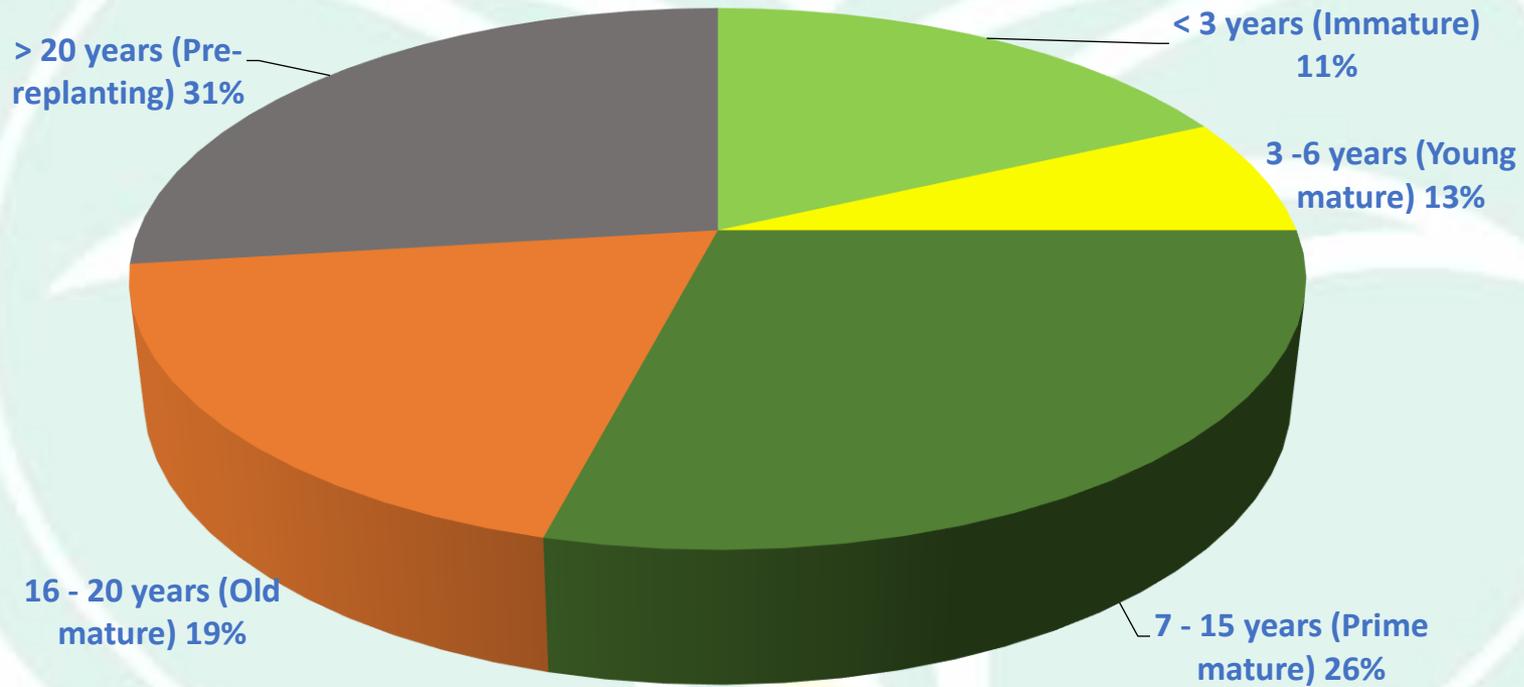


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# AGE PROFILE OF PALMS (AS AT 31 JANUARY 2023)



Total planted area: 15,940 hectares



# PRODUCTION

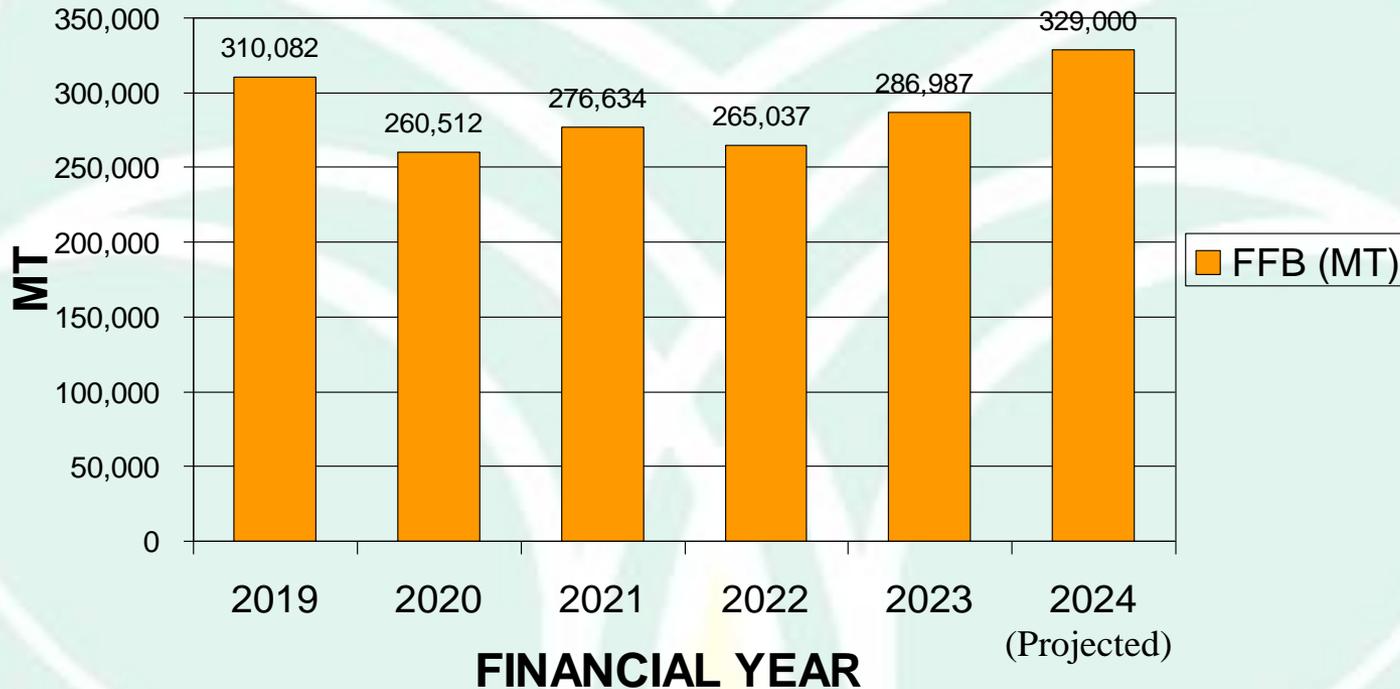
## FINANCIAL YEAR

	2022 (MT)	2023 (MT)	% change
<b>FFB</b>	265,037	286,987	8.3%
<b>CPO</b>	311,752	330,968	6.2%
<b>PK</b>	75,373	81,763	8.5%





# FFB PRODUCTION & PROJECTION

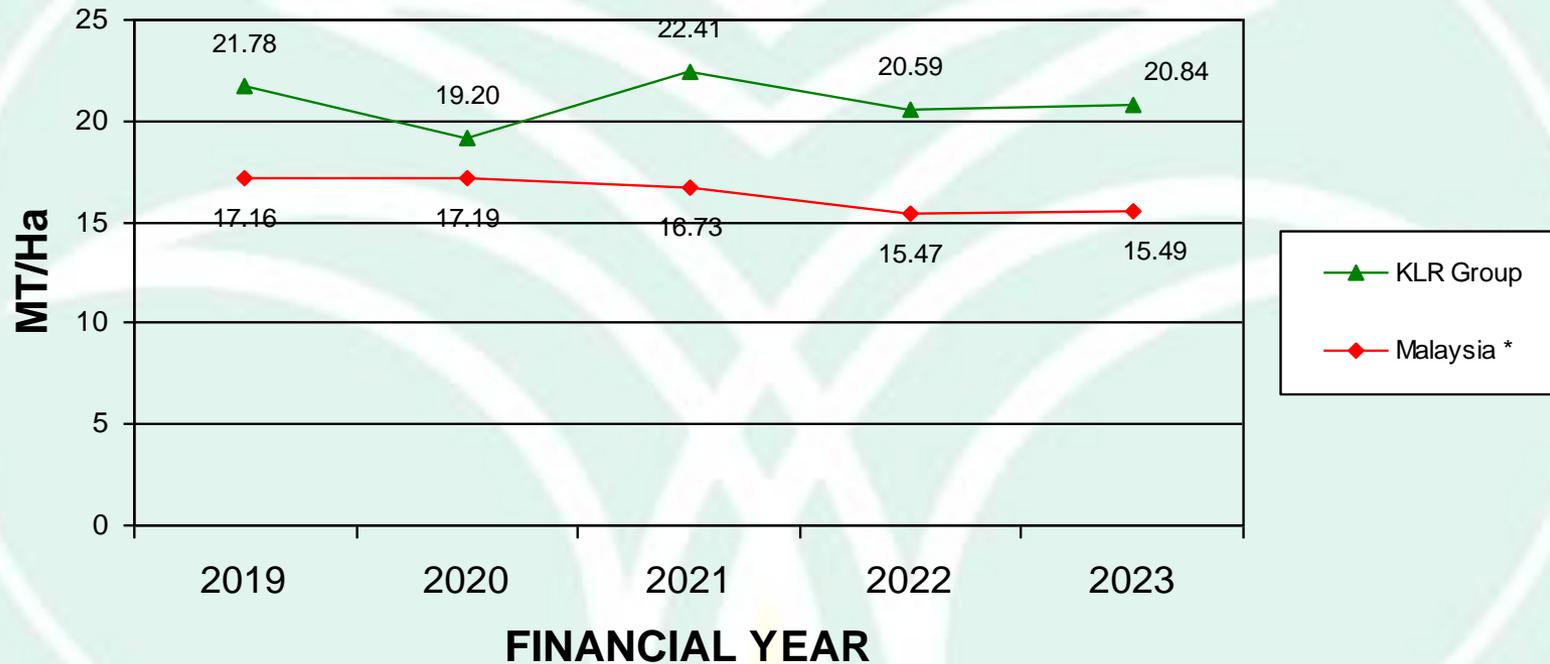


The projected FFB production for FY2024 is 329,000MT. (15% higher than FY2023).

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



# FFB YIELD PER HECTARE

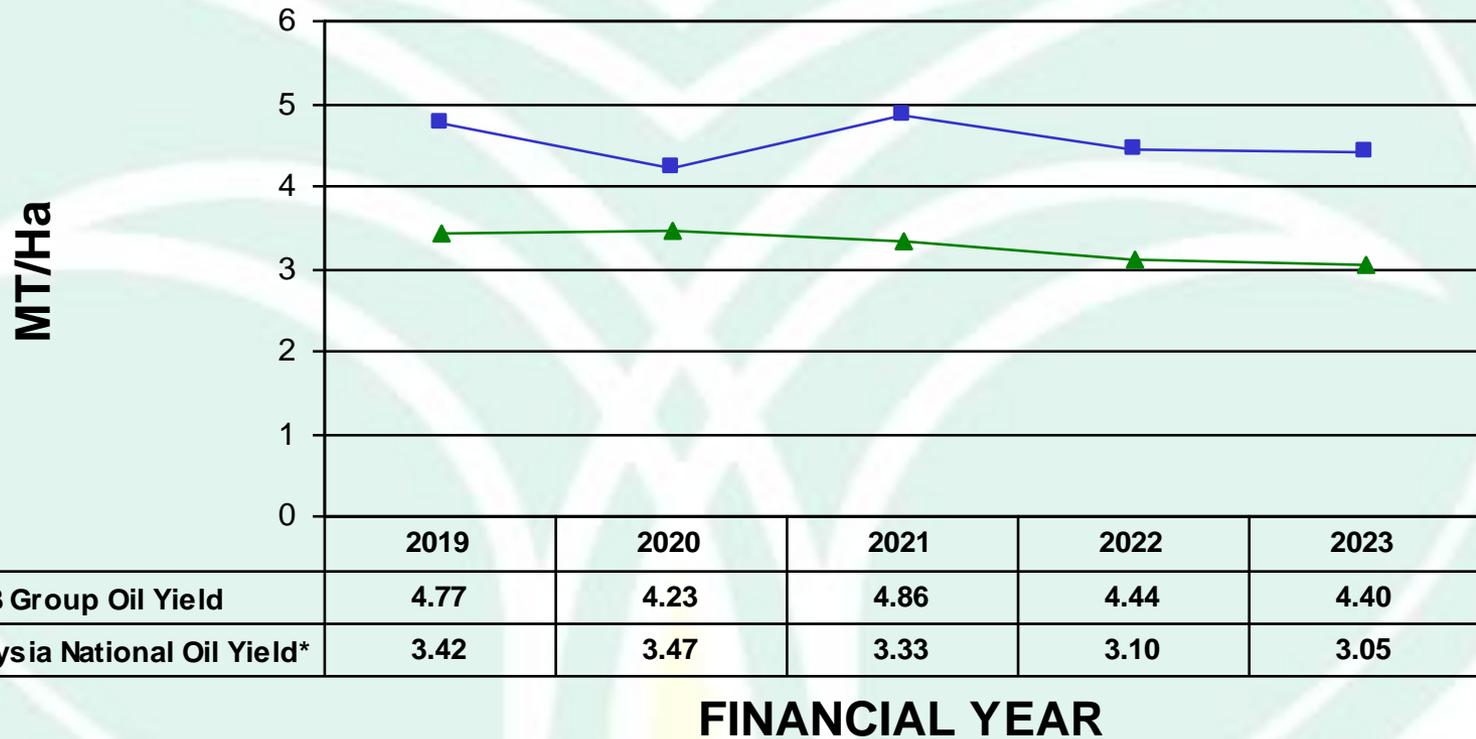


1. Decline in 2020 was partly due to lower yield from young mature palms and deferment of peak crop cycle into following financial year.

Note:  
The statistics for Malaysia National FFB yield is extracted from MPOB web-site based on calendar year 2018 to 2022 whilst the figures from KLR group are based on its financial year (Feb – Jan).



# OIL YIELD PER HECTARE



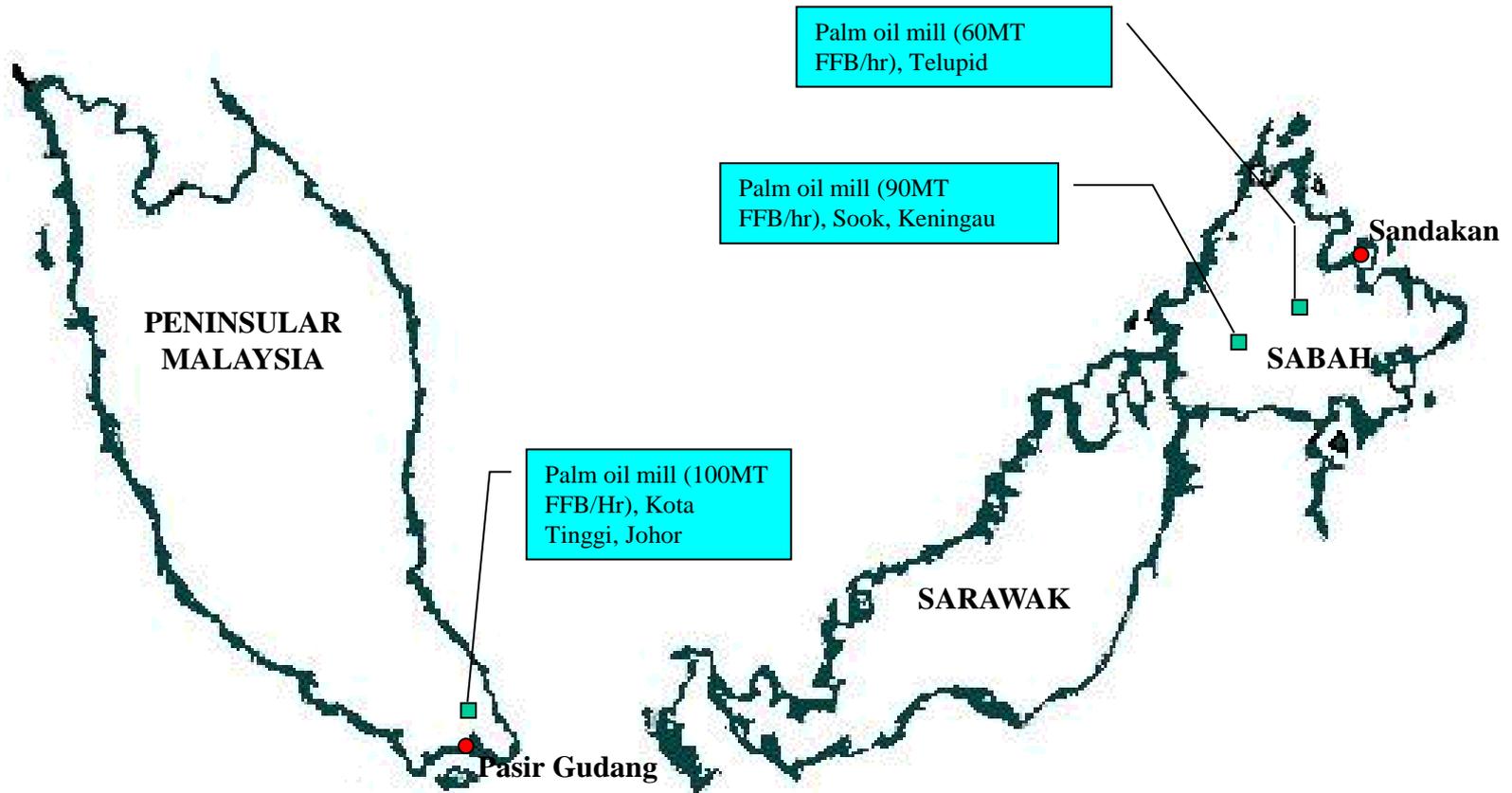
Note :  
\*The statistics for Malaysia National CPO yield are extracted from MPOB web-site based on calendar year 2018 to 2022 whilst the figures from KLR group are based on its financial year (Feb – Jan).

# Palm Oil Milling:

## MILLING LOCATION

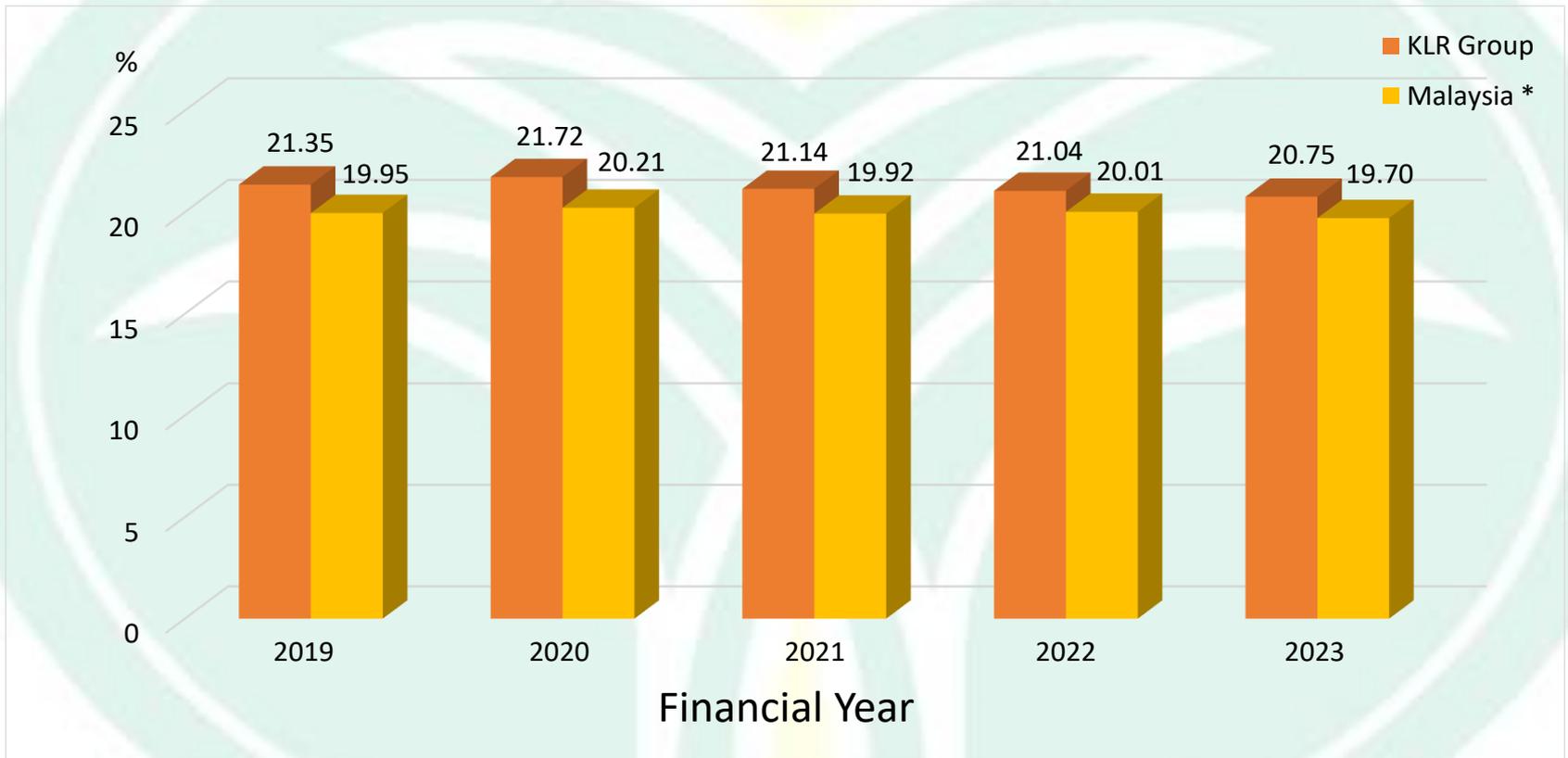


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# CPO OER COMPARISON



Note :

\*The statistics for Malaysia National CPO extraction rates are extracted from MPOB web-site based on calendar year 2018 - 2022 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 reduce the reliance on diesel power generator during start-up or low crop period.  
\* For latest progress, please refer to 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 mandated discharge parameters.
- The amount of GHG (Methane) captured or destroyed in cubic meters based on readings of our three mills in the FY2023 was 35,061,000m<sup>3</sup> (FY2022: 29,791,000m<sup>3</sup>).

## Plantation

- The Group adheres strictly to the policy of zero burning in both new plantings and replanting of oil palm. Zero burning keeps the air smoke-free. The debris remnants, comprising bushes or small trees which have been felled, are shredded and spread in the field to biodegrade. This releases nutrients and adds valuable organic matter to the soil, reducing the usage of chemical 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 weeds.
- 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. Scheduled wastes are disposed of properly.

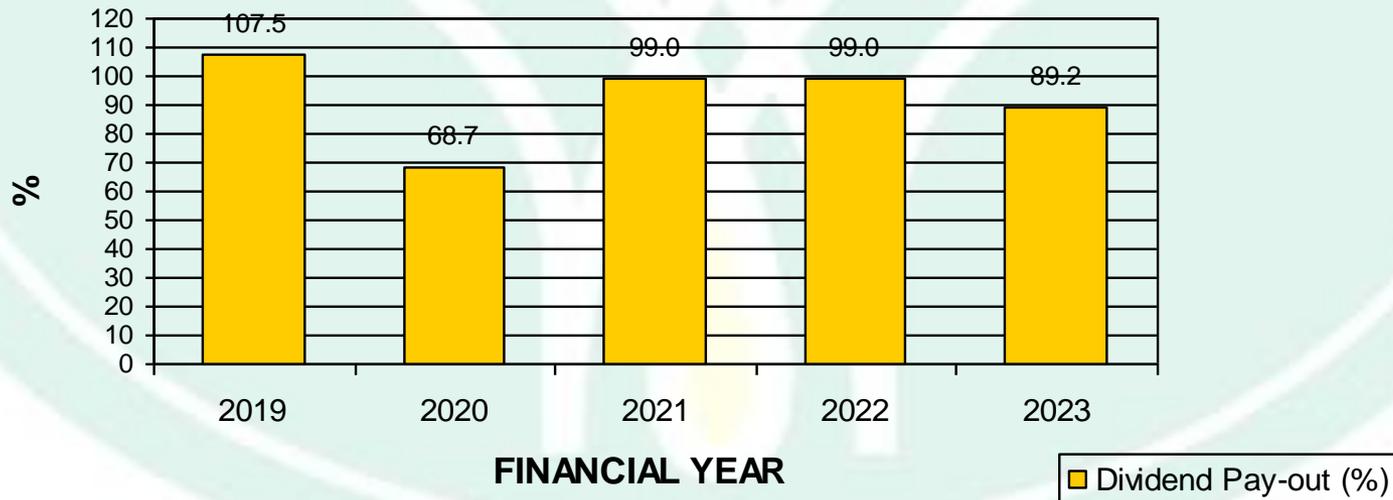
# Dividend Policy



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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:





# BUSINESS OUTLOOK AND STRATEGIES

# Near Term Prospect



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## Plantation

- » The Group's FFB production for FY2024 is expected to be about 15% higher than FY2023 on account of more replanted areas coming into maturity and a better palm age profile with higher percentage of the Group's productive area under young palms.
- » CPO price movement has become unpredictable. However, the Management expects average CPO prices for FY2024 to stand above RM4,000 per MT.
- » The Management will resume 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 FY2024 to be maintain at least 1.5 million MT.
- » Estimated sales revenue for excess palm kernel shells to third parties is about RM24 million from our three mills in FY2024.
- » Palm fiber oil solvent extraction plants (“PFOE”) in our Kota Tinggi and Keningau mills are running satisfactorily, contributing revenue and profit for the Group.



# Near Term Prospect (continued)



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## 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 the FY 2023, revenue of RM4.6 million has been generated from supplying power to TNB grid. Annual revenue of about RM5 million is expected from FY2024 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 and we expect this plant could contribute positively to revenue in FY2024.



# 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 second 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

## CORPORATE ADDRESS

Lot 18.01, 18<sup>th</sup> Floor, Public Bank Tower  
19, Jalan Wong Ah Fook,  
80000 Johor Bahru, Johor, Malaysia.

## DIRECTORS

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

# Corporate Fact Sheet (continued)

Stock Exchange Listing	Main Market of Bursa Malaysia Securities Berhad	
Listed on	27 November 2000	
Issued shares	968.82 million shares	
Market Cap	RM1.78 billion (based on share price of RM1.84 on 31 March 2023)	
Major Shareholders (as at 31 Jan 2023)	Sharikat Kim Loong Sendirian Berhad	64.58%
	Teo Chuan Keng Sdn Bhd	2.12%
	Krishnan Chellam	1.57%
	Koperasi Polis DiRaja Malaysia Berhad	1.12%
	UOB Kay Hian Nominee (Tempatan) Sdn. Bhd. - Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	1.07%
Financial year end	31 January	



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**THANK YOU**

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