



KIM LOONG
RESOURCES BERHAD

錦隆資源有限公司

197501000991(22703-K)

Corporate Profile

30 September 2021

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

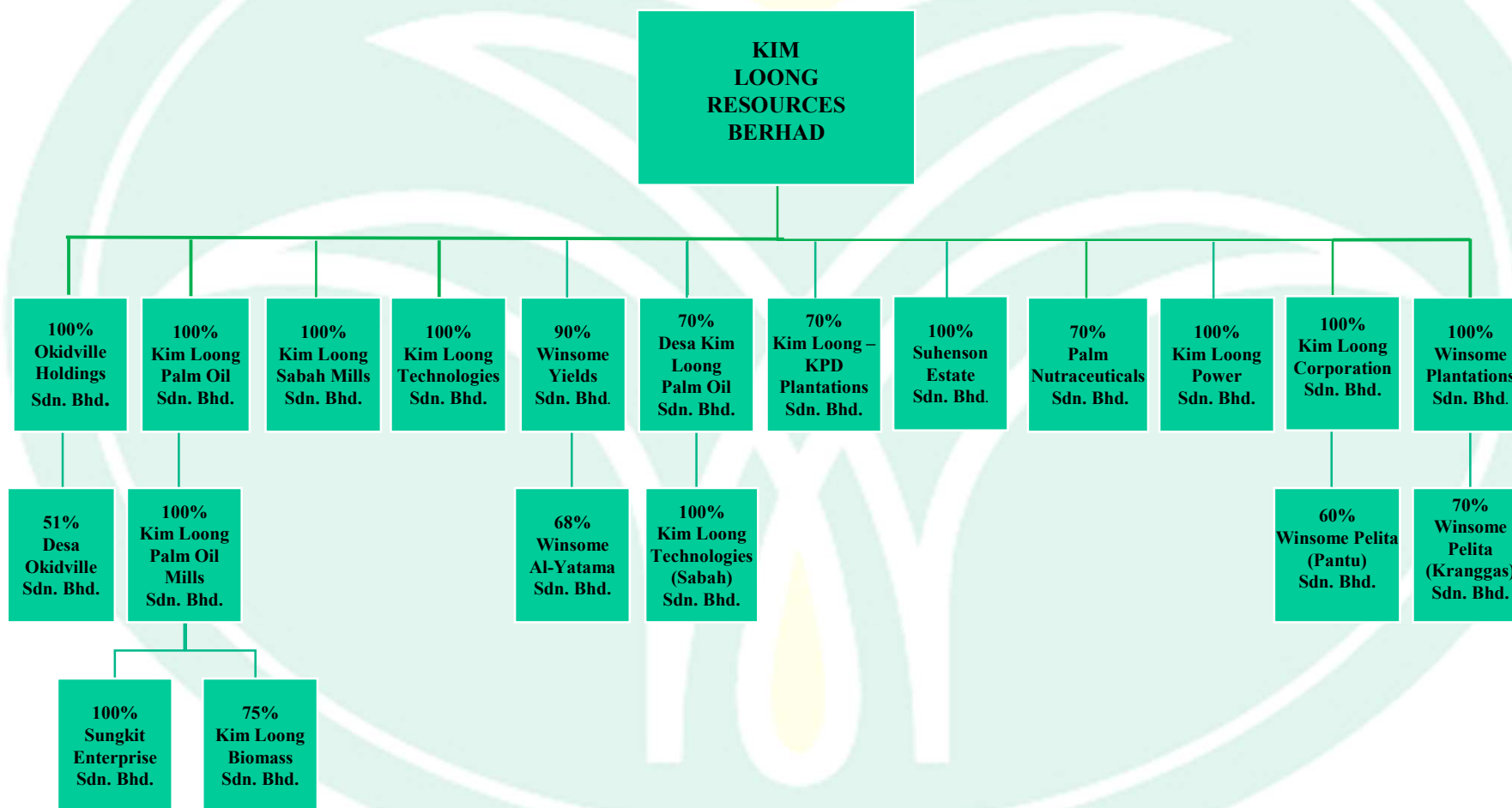


- KLR's holding company, Sharikat Kim Loong Sendirian Berhad, had its beginning back in 1967 with a 1,000 acre rubber plantation in Ulu Tiram, Johor
- KLR is listed on the Main Market of Bursa Malaysia Securities Berhad since year 2000 and currently with a RM1.491 billion market capitalisation
- KLR 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

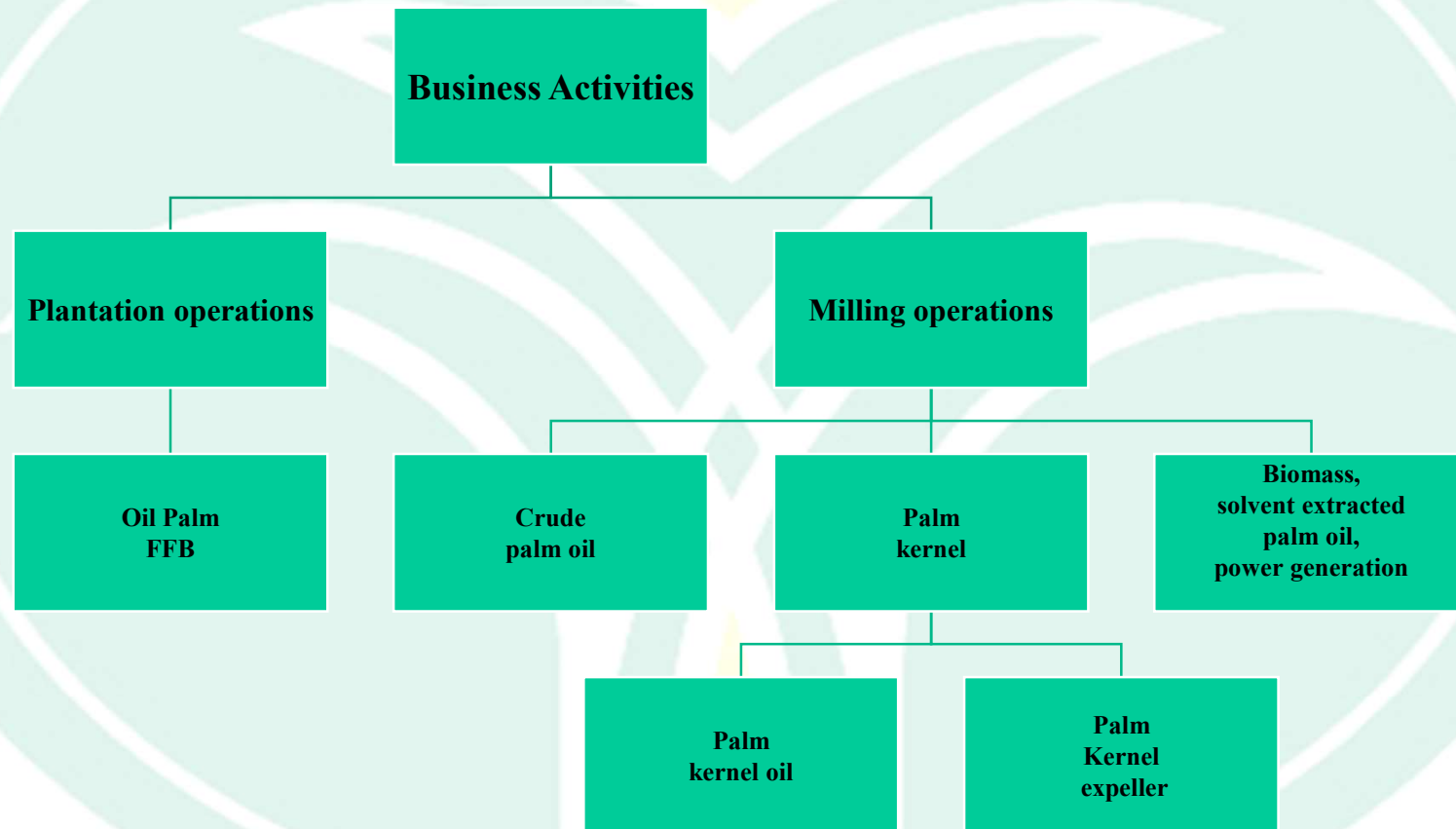


Group Structure (Active Companies Only)

AS AT 31 JULY 2021



Principal activities



Financial Highlights

FINANCIAL PERFORMANCE



	Financial year		2Q2022*
	2020	2021	
Revenue (RM'000)	679,625	971,677	713,284
EBITDA (RM'000)	95,249	180,511	118,381
Profit before tax (RM'000)	60,389	144,551	100,689
Weighted Average No. of Share ('000)	933,607	933,607	933,942
Shareholders' equity (RM'000)	719,732	749,274	808,204
Basic earnings per share (Sen)	4.40	10.16	6.91
PE Ratio (times)	28.6	13.4	-
Return on Capital Employed (Pre-tax) [N1]	7.4%	16.2%	10.2%
Return on Total Equity (Pre-tax)	7.5%	17.1%	11.0%
Return on Total Assets (Pre-tax)	6.2%	13.3%	8.1%
Gearing	0.02	0.06	0.08

N1 : Capital Employed includes Total Equity and Bank Borrowings.

* Based on unaudited 6-months results ended 31 July 2021.

Financial Highlights (continued)

ANALYSIS BY SEGMENTS



	Financial Year		2Q2021* RM'000
	2020 RM'000	2021 RM'000	
REVENUE			
Plantation	101,910	143,143	98,056
Palm Oil Milling	662,943	945,308	696,228
Less : Inter-segment eliminations	(85,228)	(116,774)	(81,000)
TOTAL GROUP	679,625	971,677	713,284
RESULTS			
Plantation	26,499	71,147	63,165
Palm Oil Milling	32,209	73,766	36,348
	58,708	144,913	99,513
Inter-segment adjustments and eliminations	2,501	561	130
Unallocated cost **	(8,500)	(8,396)	(676)
Finance income	8,389	8,482	2,489
Finance cost	(709)	(1,009)	(767)
Profit before tax	60,389	144,551	100,689

* Based on unaudited 6-months results ended 31 July 2021.

** 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

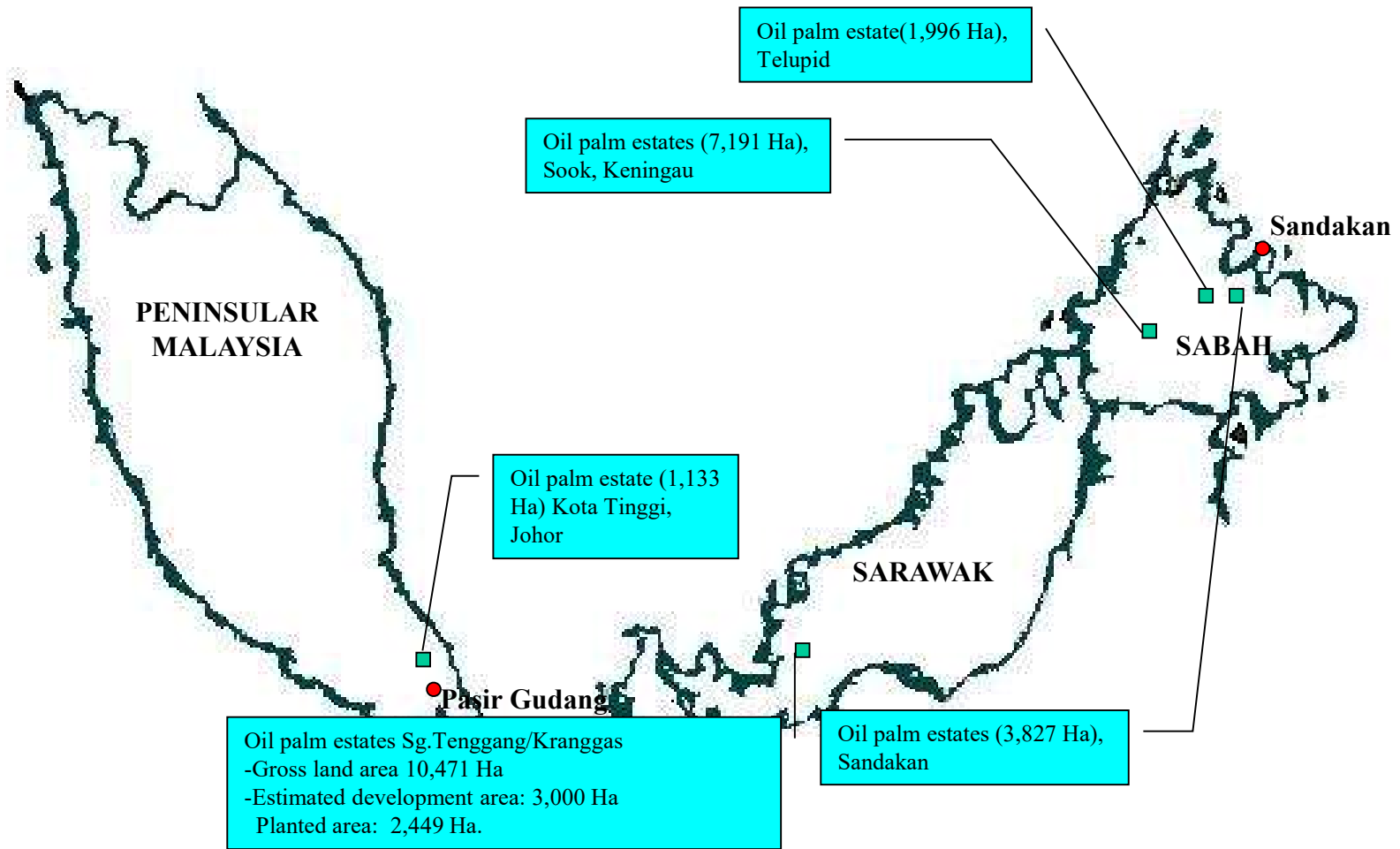


	Financial Year		2Q2022*
	2020	2021	
Net profit attributable to equity holders of the Company (RM'000)	41,061	94,891	64,529
Net dividend declared (RM'000)	28,008	93,361	47,696
Gross Dividend Per Share (sen)	3.0	10.0	5.0
Gross Dividend Yield (%)	2.4%	7.4%	3.4%
Dividend Pay-out (%)	68.2%	98.4%	73.9%
Market Price at period end (RM)	1.26	1.36	1.47
NTA per share at period end (RM)	0.77	0.80	0.85

* Based on unaudited 6-months results ended 31 July 2021.

Plantation Operations :

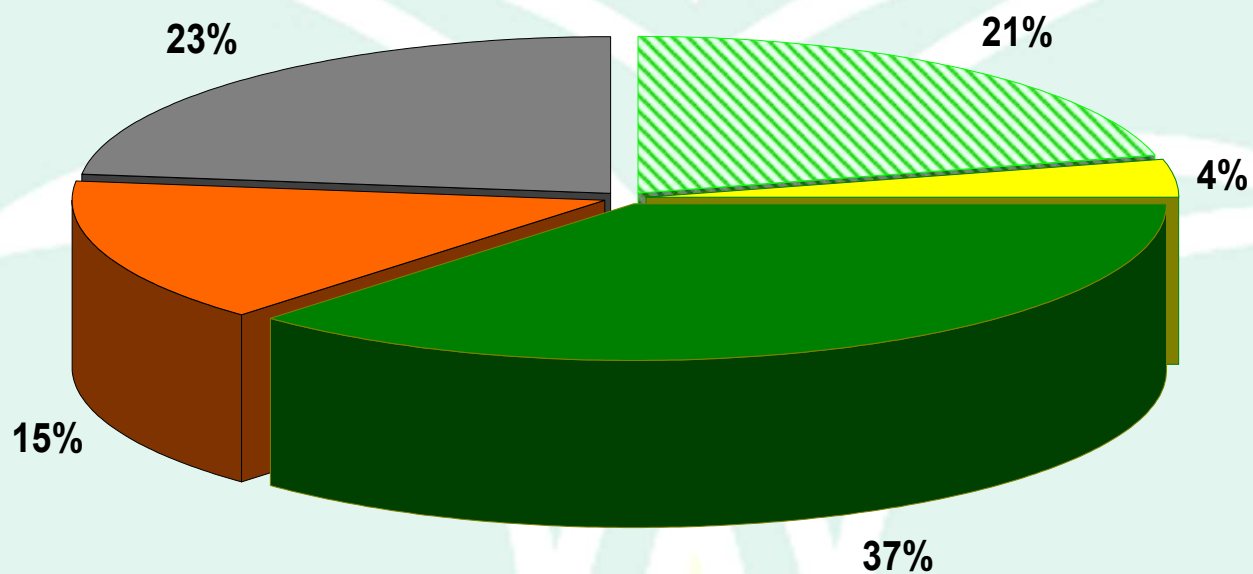
LOCATION OF OPERATIONS










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AGE PROFILE OF PALMS (AS AT 31 July 2021)



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

Total planted area: 15,902 hectares

- a) < 3 years (Immature) : 21%
- b) 3 – 6 years (Young mature) : 4%
- c) 7 – 15 year (Prime mature) : 37%
- d) 16 – 20 years (Old mature) : 15%
- e) > 20 years (Pre-replanting) : 23%



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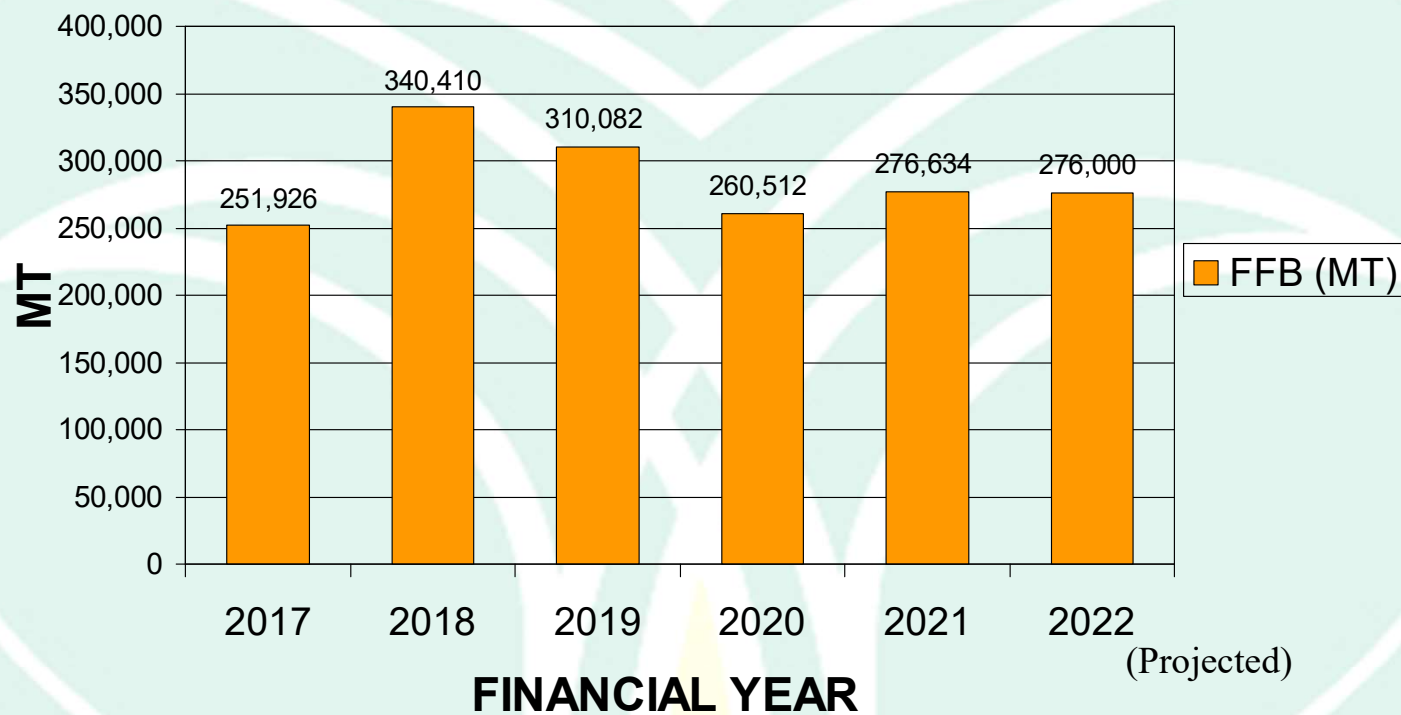
PRODUCTION

FINANCIAL YEAR

	2021	2Q21	2Q22	Q to Q
	(MT)	(MT)	(MT)	% change
FFB	276,634	151,289	127,179	-16
CPO	280,493	148,721	143,507	-4
PK	69,073	36,974	34,549	-7



FFB PRODUCTION & PROJECTION



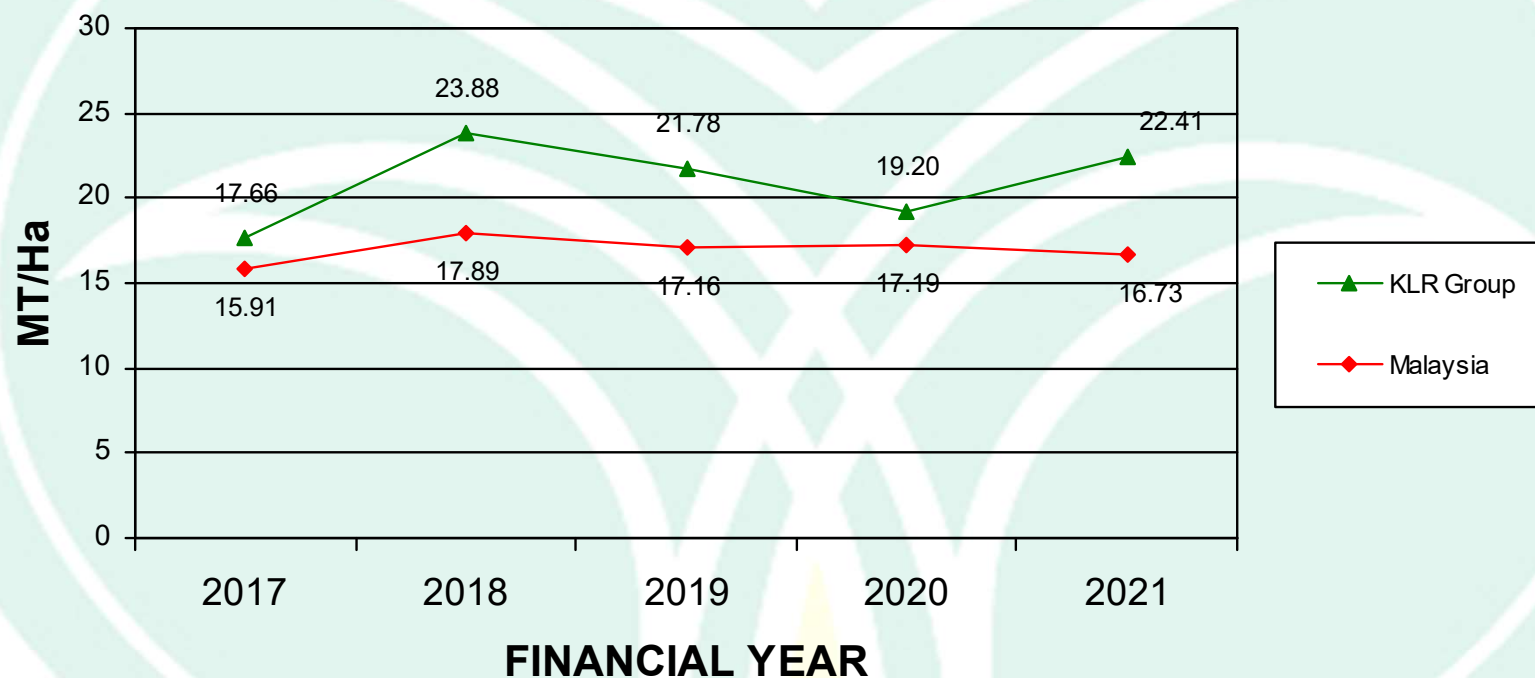
The projected FFB production for FY2022 is 276,000MT.

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



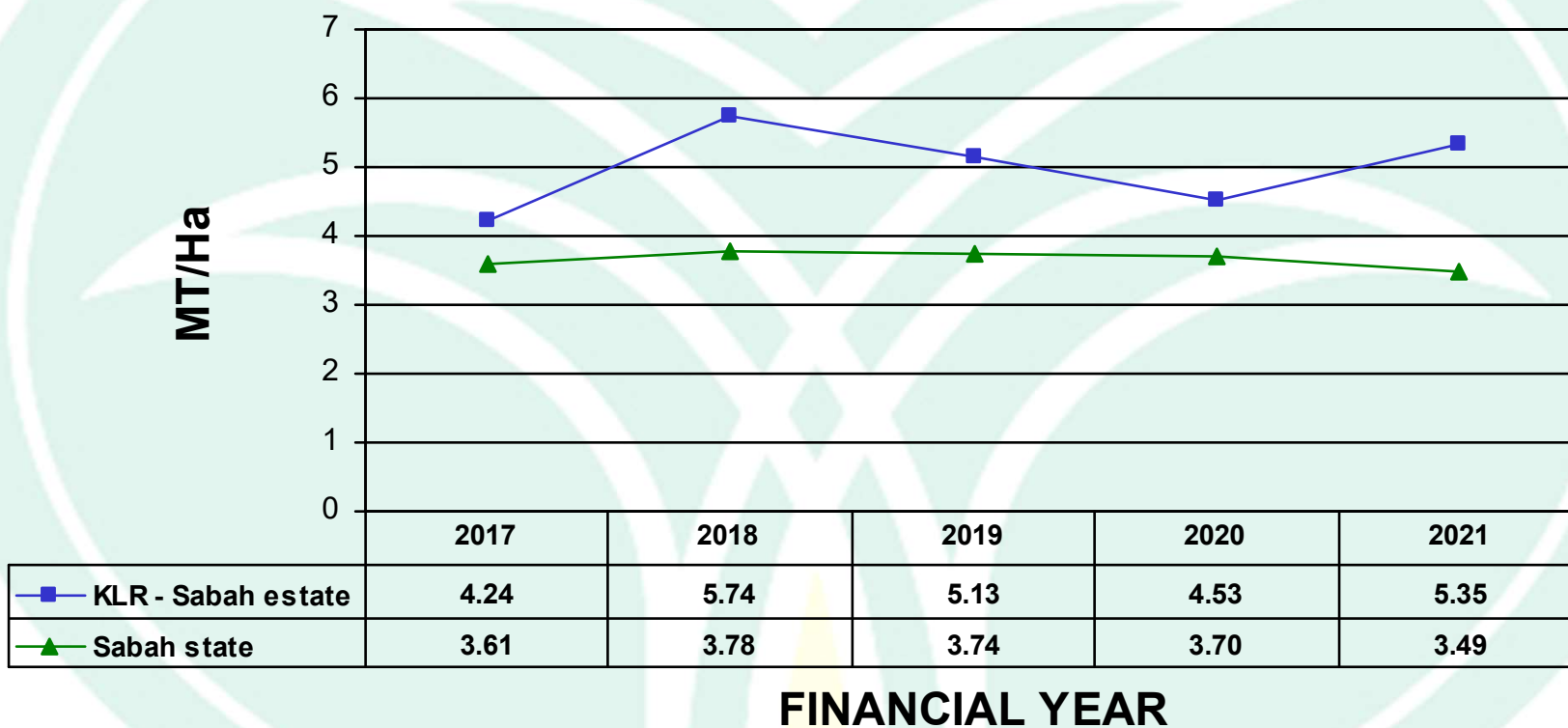
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FFB YIELD PER HECTARE



1. Low yield 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

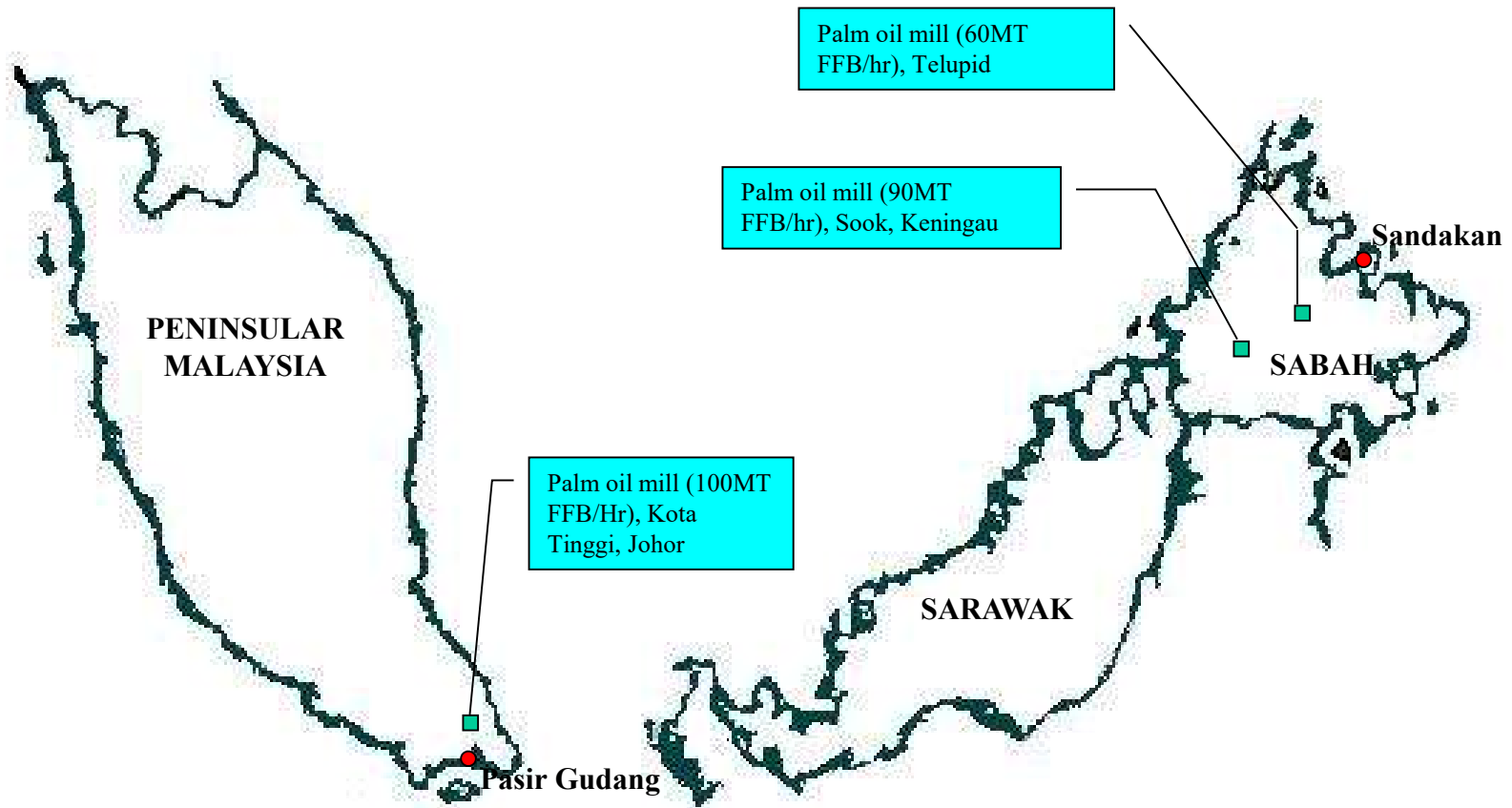


Note :

The statistics for Sabah state are extracted from MPOB web-site based on calendar year 2016 to 2020 whilst the figures from KLR are based on its financial year (Feb – Jan).

Palm Oil Milling:

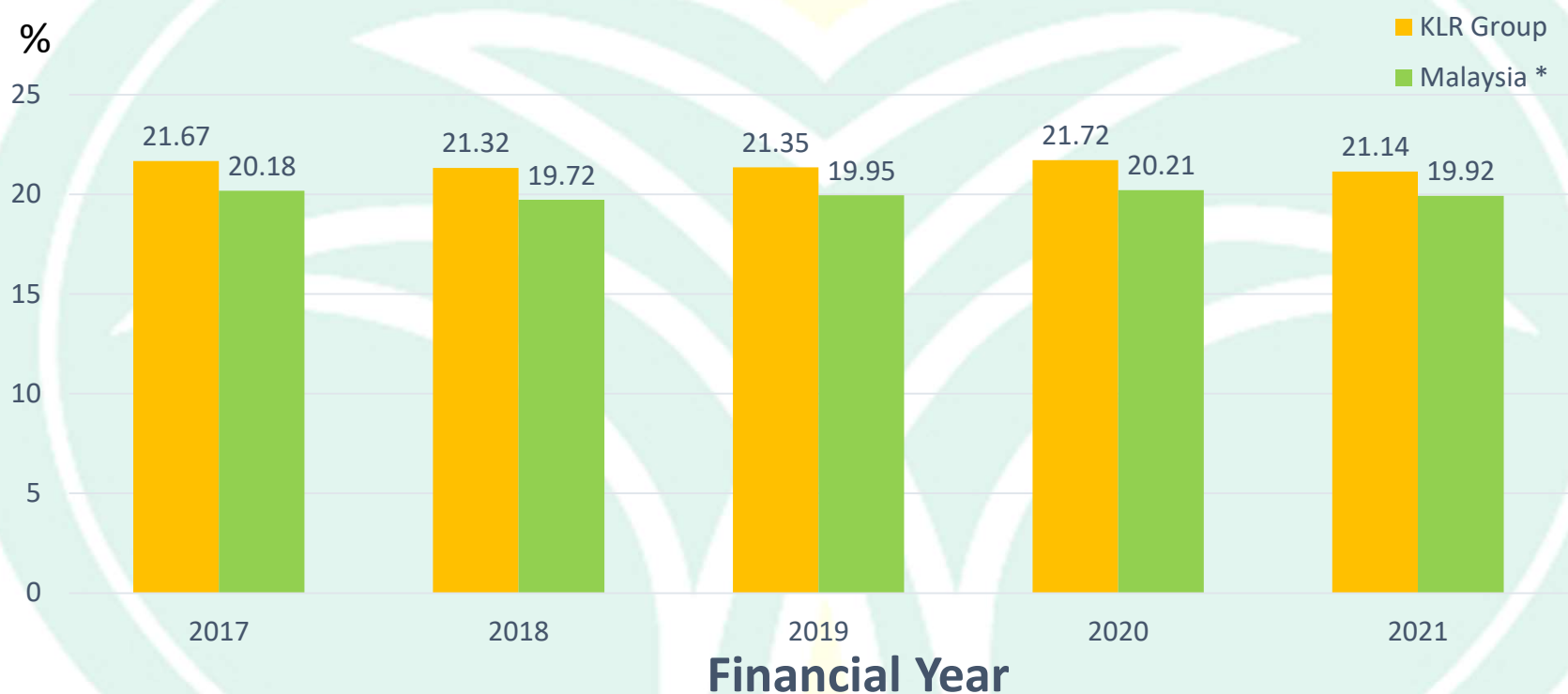
MILLING LOCATION





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CPO OER COMPARISON



Note :

*The statistics for Malaysia National CPO extraction rates are extracted from MPOB web-site based on calendar year 2016 - 2020 whilst the figures from KLR Group are based on its financial year (Feb – Jan).

Achievements



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%.

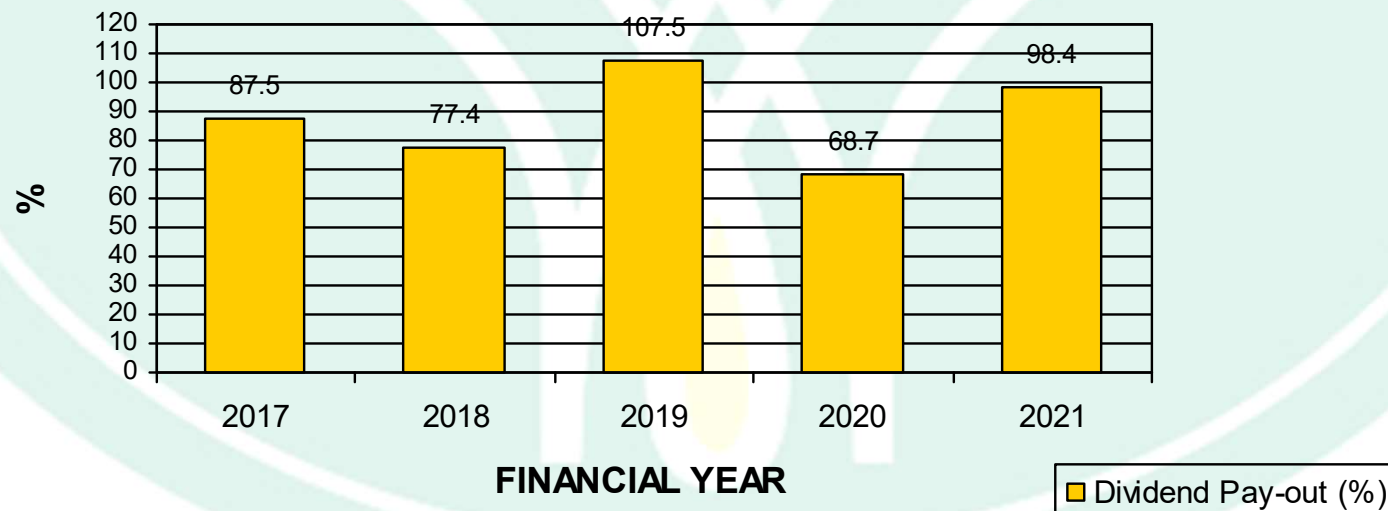
Competitive Strengths

- 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

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



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Recent Development

Plantation

- » On 9 February 2021, the Group took physical possession of 2,722 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 remaining land measuring approximately 140 acres due to unfulfillment of Conditions Precedent.
- » It is expected that additional 26,000 MT of FFB could be produced from the 2,722 acres which the Group has taken physical possession.
- » After due consideration on documentation received in July 2021 on fulfilment of major Conditions Precedent, the management decided to recognise the acquisitions of 2,722 acres as the management is of the view that the risks and rewards are deemed to have been transferred to the Group. Nevertheless, in the best interest of the Group, the management will continue to ensure the vendors to fulfil the remaining Conditions Precedent.

Near Term Prospect

Plantation

- » The Group's FFB production for FY2022 is expected to be similar to FY2021.
- » The Group is expected to perform well for the FY2022.
- » Continual replanting programme of approximately 1,000 Ha per year for old palms from 2022 to 2027. 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 replant only 600 Ha in financial year 2022.

Near Term Prospect (continued)

Mill

- » Despite stiff competition from surrounding mills, we expect the milling processing quantity for FY2022 to be similar to FY2021.
- » Estimated sales revenue for excess palm kernel shells to third parties is about RM17 million from our three mills in FY2022.
- » 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)

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 7 months up to August 2021 in FY 2022, revenue of RM2.7 million has been generated from supplying power to TNB grid. Annual revenue of about RM5 million is expected from FY2022 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 by end of the financial year 2022.
- » 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. Installation of biogas engines in progress and is expected to be commissioned and in operations in year 2022.

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 continue replanting of older palms to ensure continued growth in future FFB production.



Corporate Fact Sheet



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>

Corporate Fact Sheet (continued)



Stock Exchange Listing	Main Market of Bursa Malaysia Securities Berhad	
Listed on	27 November 2000	
Issued shares	955.7 million shares	
Market Cap	RM1.491 billion (based on share price of RM1.56 on 30 September 2021)	
Major Shareholders (as at 30 June 2021)	Sharikat Kim Loong Sendirian Berhad	63.51%
	Teo Chuan Keng Sdn Bhd	2.18%
	Krishnan Chellam	1.63%
	Koperasi Polis DiRaja Malaysia Berhad	0.80%
	UOB Kay Kian Nominee (Tempatan) Sdn. Bhd. - Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	0.68%
Financial year end	31 January	



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THANK YOU

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