



KIM LOONG
RESOURCES BERHAD

錦隆資源有限公司

197501000991(22703-K)

Corporate Profile

30 June 2023

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 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 RM1.72 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

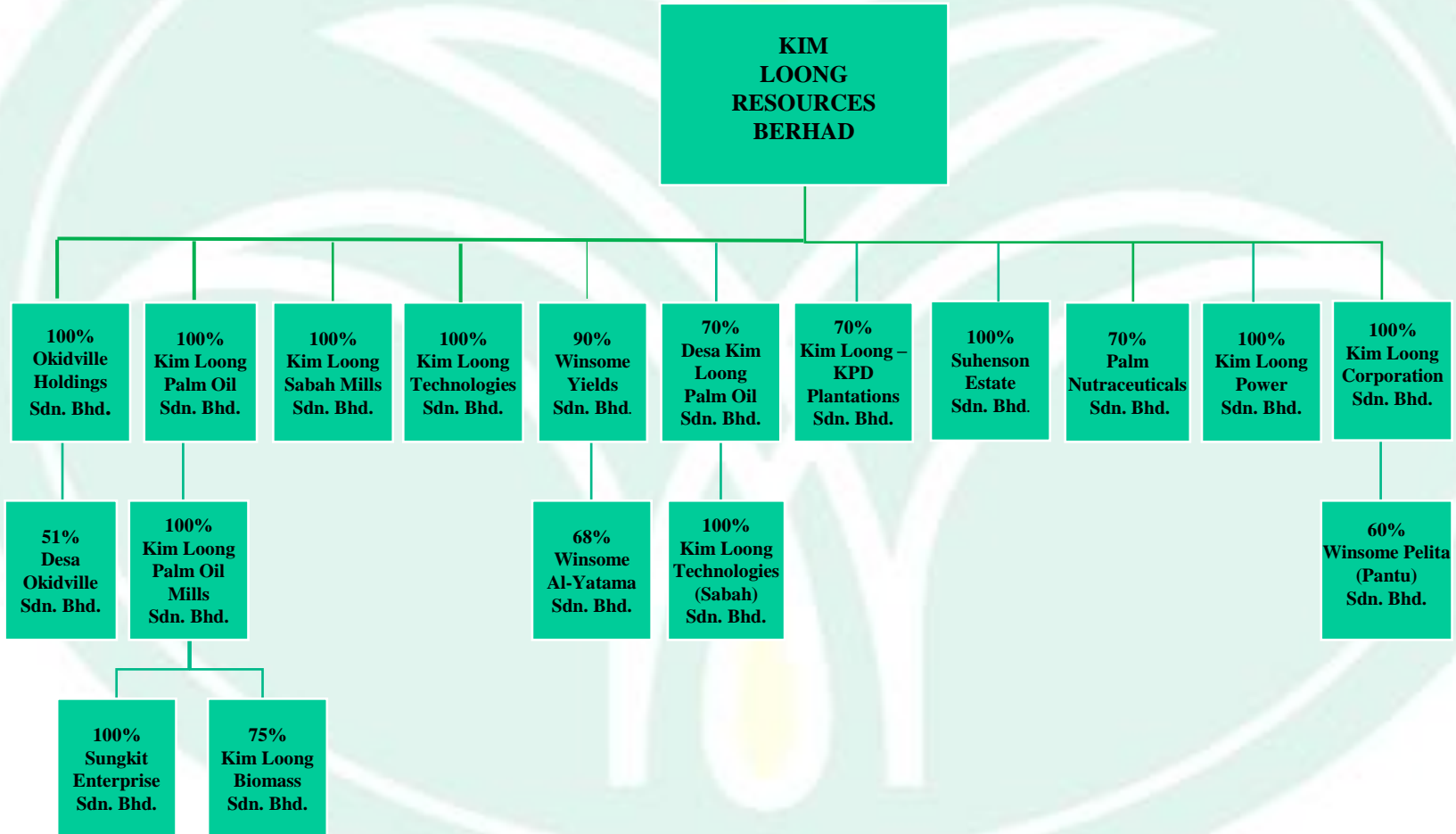




KIM LOONG
RESOURCES BERHAD

Group Structure (Active Companies Only)

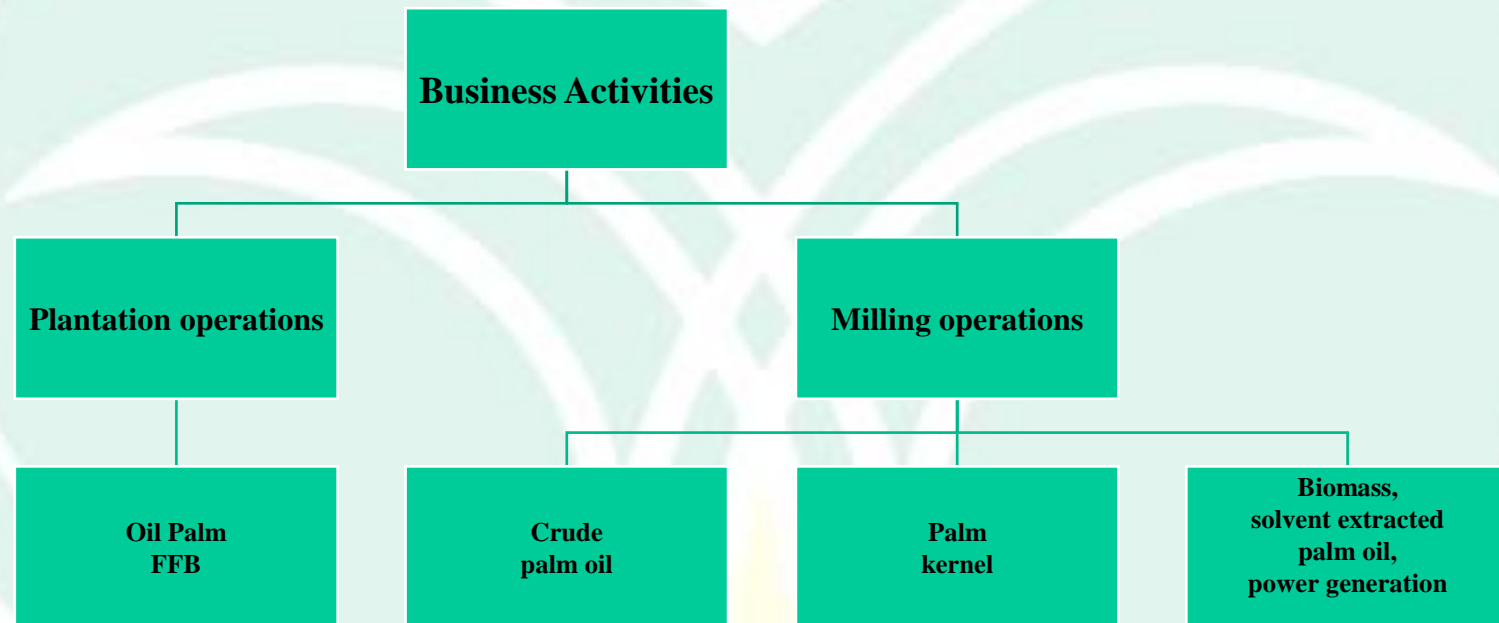
AS AT 31 JANUARY 2023



Principal activities



KIM LOONG
RESOURCES BERHAD



Financial Highlights

FINANCIAL PERFORMANCE



KIM LOONG
RESOURCES BERHAD

| | Financial year | | 1Q2024* |
|---|----------------|-----------|---------|
| | 2022 | 2023 | |
| Revenue (RM'000) | 1,702,716 | 1,908,343 | 326,686 |
| EBITDA (RM'000) | 248,149 | 294,680 | 62,348 |
| Profit before tax (RM'000) | 210,331 | 252,443 | 50,641 |
| Weighted Average No. of Share ('000) | 947,227 | 966,455 | 967,111 |
| Shareholders' equity (RM'000) | 809,803 | 834,387 | 866,156 |
| Basic earnings per share (Sen) | 14.42 | 16.82 | 3.26 |
| PE Ratio (times) | 11.8 | 10.7 | - |
| Return on Capital Employed (After-tax) [N1] | 16.9% | 19.8% | 3.7% |
| Return on Total Equity (After-tax) | 18.2% | 20.9% | 3.9% |
| Return on Total Assets (After-tax) | 13.2% | 15.8% | 3.1% |
| Gearing | 0.07 | 0.06 | 0.06 |

N1 : Capital Employed includes Total Equity and Bank Borrowings.

* Based on unaudited 3-months results ended 30 April 2023.

Financial Highlights (continued)

ANALYSIS BY SEGMENTS

| | Financial Year | | 1Q2024* |
|--|------------------|------------------|----------------|
| | 2022 RM'000 | 2023 RM'000 | |
| REVENUE | | | |
| Plantation | 220,572 | 263,954 | 56,332 |
| Palm Oil Milling | 1,663,794 | 1,866,579 | 320,003 |
| Less : Inter-segment eliminations | (181,650) | (222,190) | (49,649) |
| TOTAL GROUP | 1,702,716 | 1,908,343 | 326,686 |
| RESULTS | | | |
| Plantation | 120,326 | 146,600 | 29,731 |
| Palm Oil Milling | 96,120 | 110,827 | 21,712 |
| | 216,446 | 257,427 | 51,443 |
| Inter-segment adjustments and eliminations | (1,537) | (1,552) | (1,582) |
| Unallocated cost ** | (8,088) | (7,742) | (343) |
| Finance income | 5,449 | 6,712 | 1,742 |
| Finance cost | (1,939) | (2,402) | (619) |
| Profit before tax | 210,331 | 252,443 | 50,641 |

* Based on unaudited 3-months results ended 30 April 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 | | 1Q2024* |
|---|----------------|---------|---------|
| | 2022 | 2023 | |
| Net profit attributable to equity holders of the Company (RM'000) | 136,580 | 162,257 | 31,512 |
| Net dividend declared (RM'000) | 135,177 | 145,052 | - |
| Gross Dividend Per Share (sen) | 14.0 | 15.0 | - |
| Gross Dividend Yield (%) | 8.2% | 8.4% | - |
| Dividend Pay-out (%) | 99.0% | 89.4% | - |
| Market Price at period end (RM) | 1.70 | 1.79 | 1.77 |
| NTA per share at period end (RM) | 0.84 | 0.86 | 0.90 |

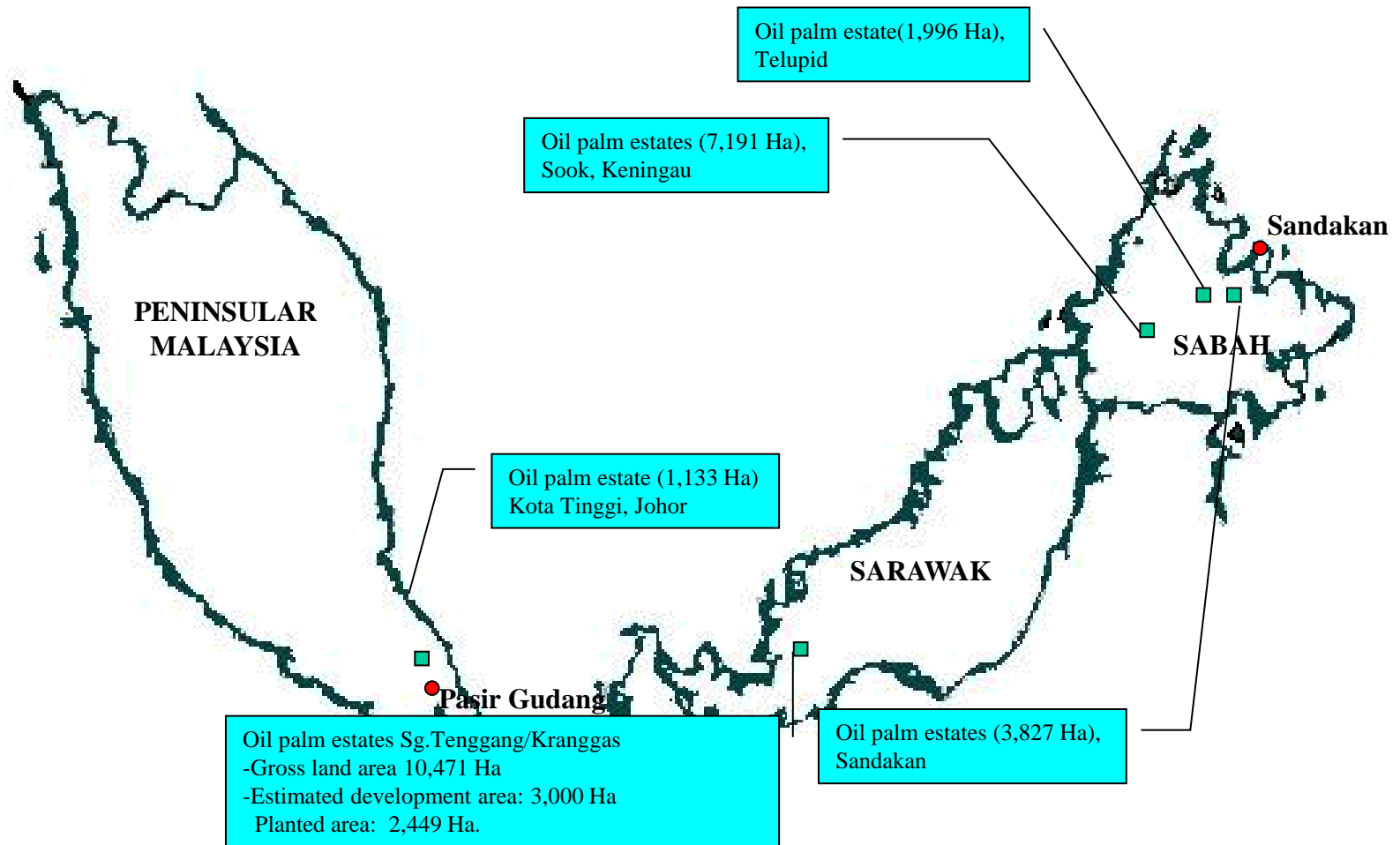
* Based on unaudited 3-months results ended 30 April 2023.

Plantation Operations :

LOCATION OF OPERATIONS

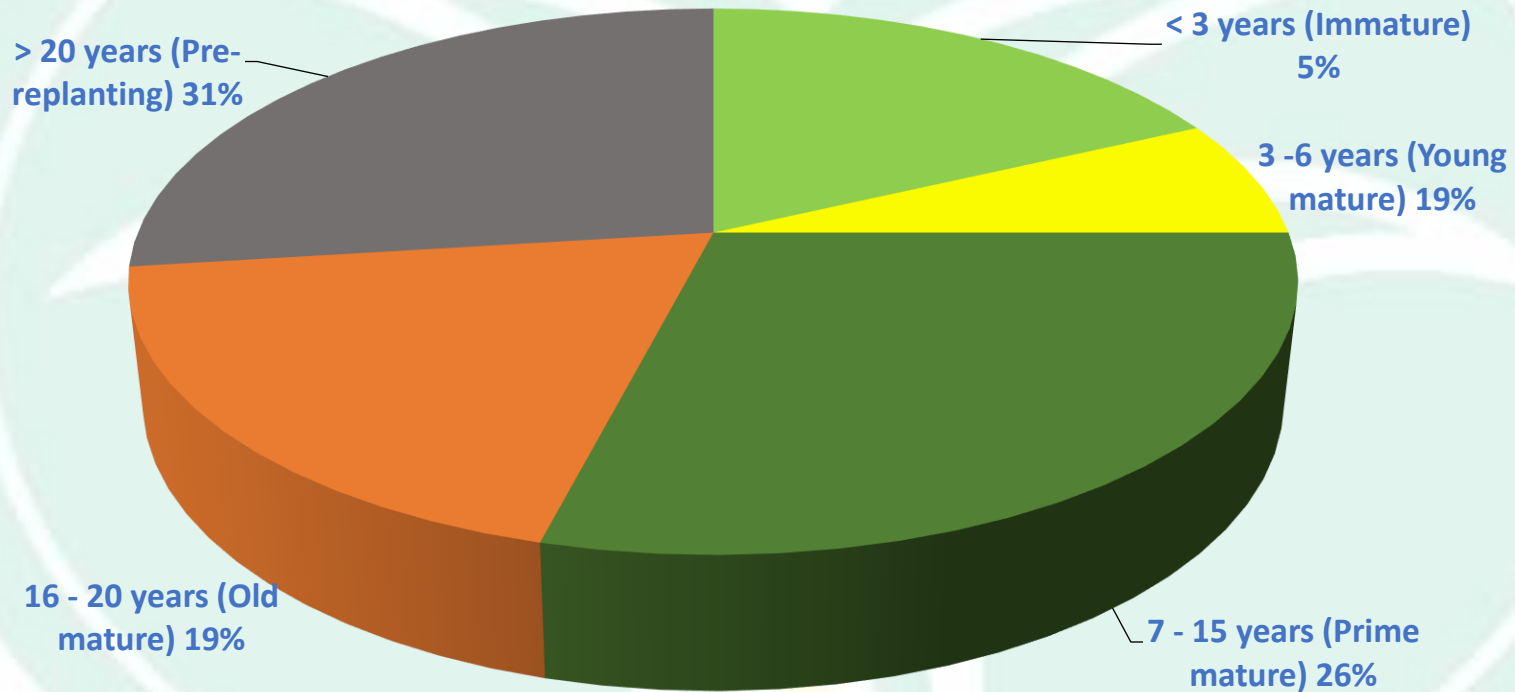


KIM LOONG
RESOURCES BERHAD





AGE PROFILE OF PALMS (AS AT 30 APRIL 2023)



Total planted area: 15,940 hectares



KIM LOONG
RESOURCES BERHAD

PRODUCTION

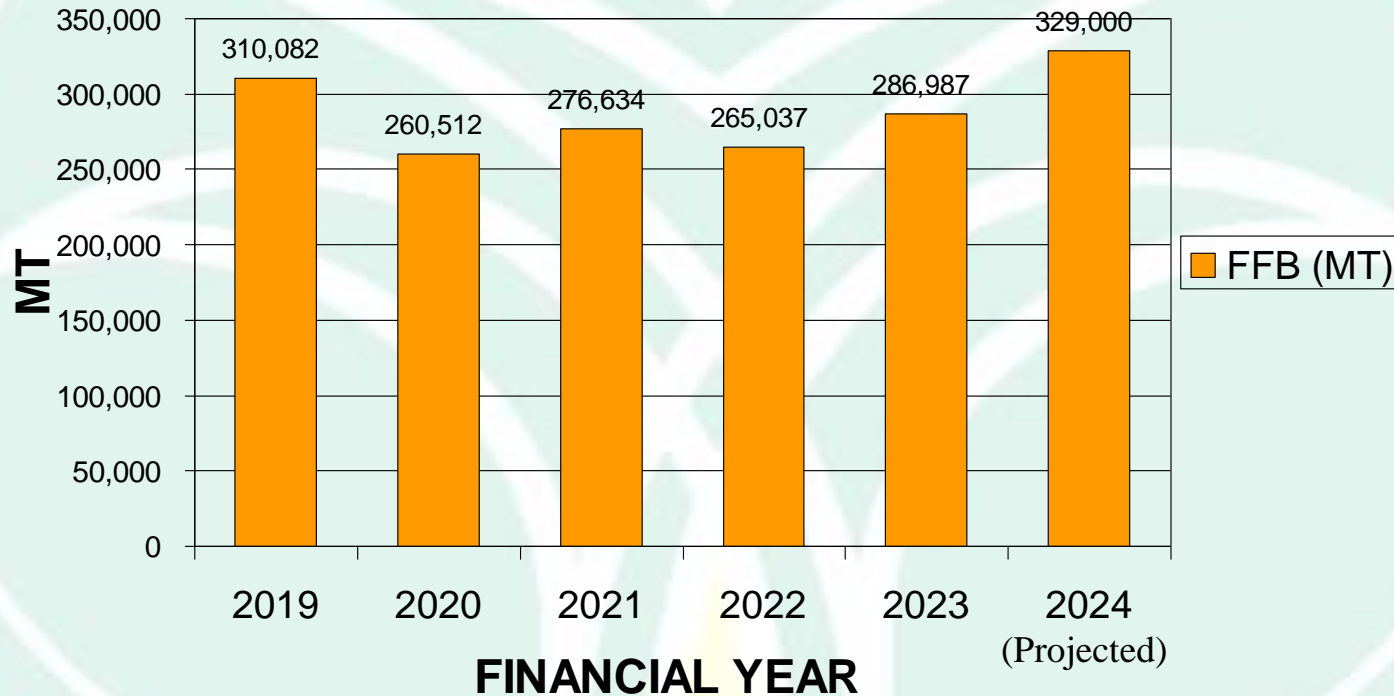
FINANCIAL YEAR

| | 2023 | 1Q23 | 1Q24 | Q to Q % change |
|------------|---------|--------|--------|-----------------------|
| | (MT) | (MT) | (MT) | |
| FFB | 286,987 | 61,075 | 72,831 | 19.2% |
| CPO | 330,968 | 64,861 | 67,200 | 3.6% |
| PK | 81,763 | 16,041 | 16,348 | 1.9% |





FFB PRODUCTION & PROJECTION

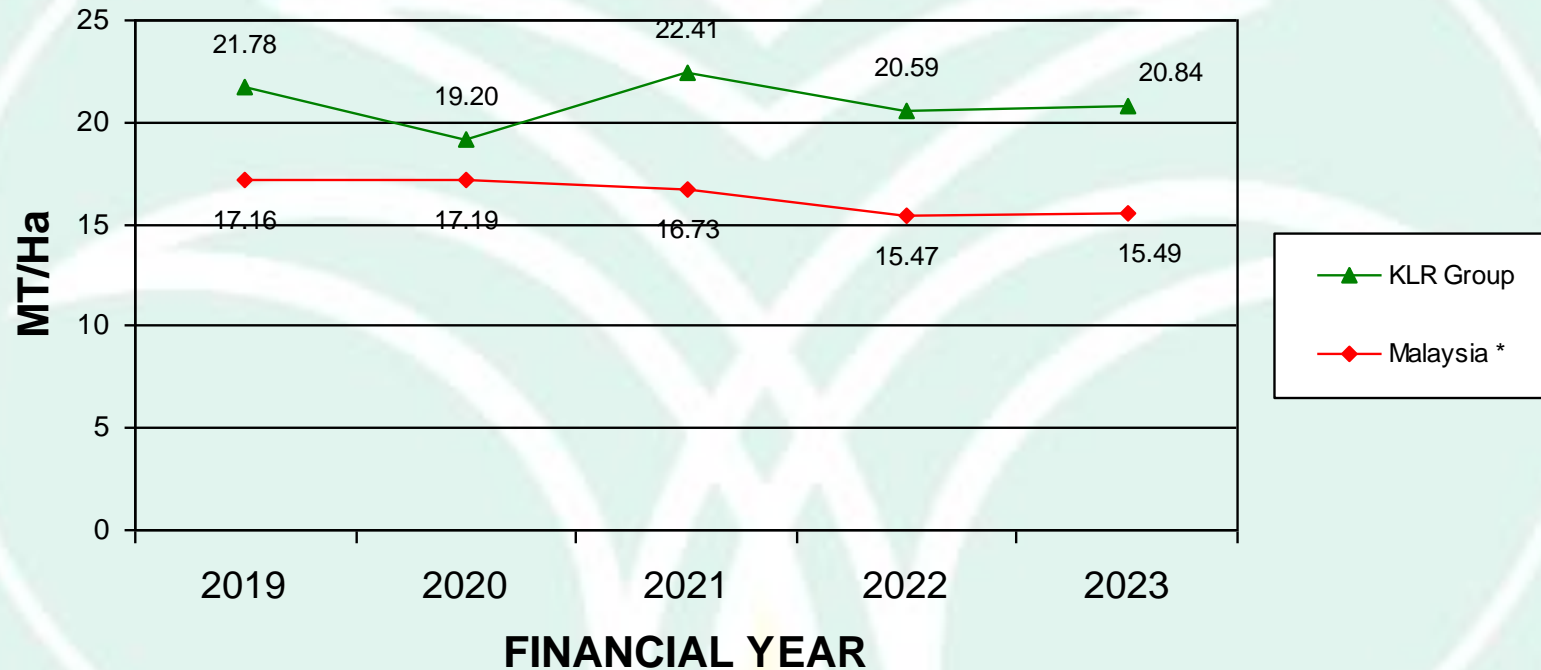


The projected FFB production for FY2024 is 329,000MT. (15% higher than FY2023).

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



FFB YIELD PER HECTARE



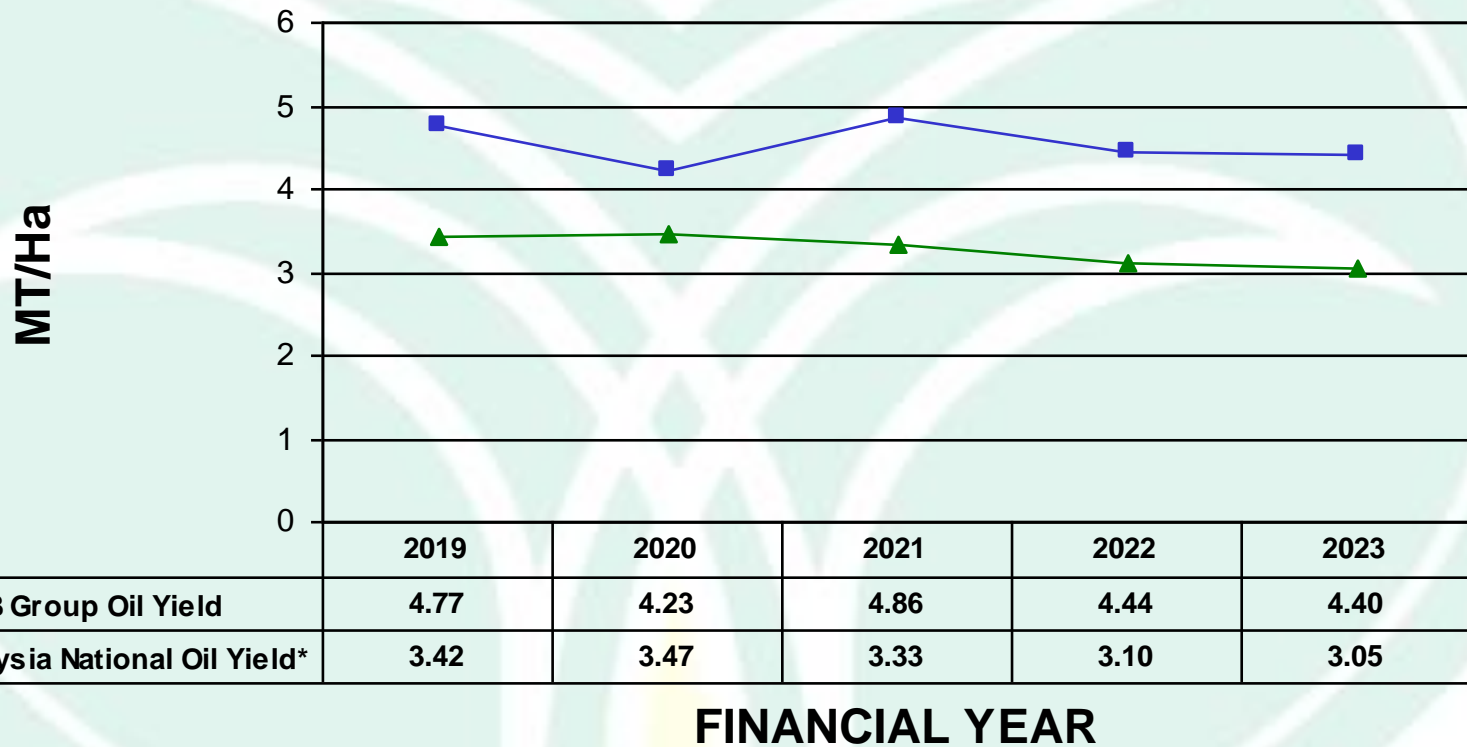
1. Decline in 2020 was partly due to lower yield from young mature palms and deferment of peak crop cycle into following financial year.

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 :

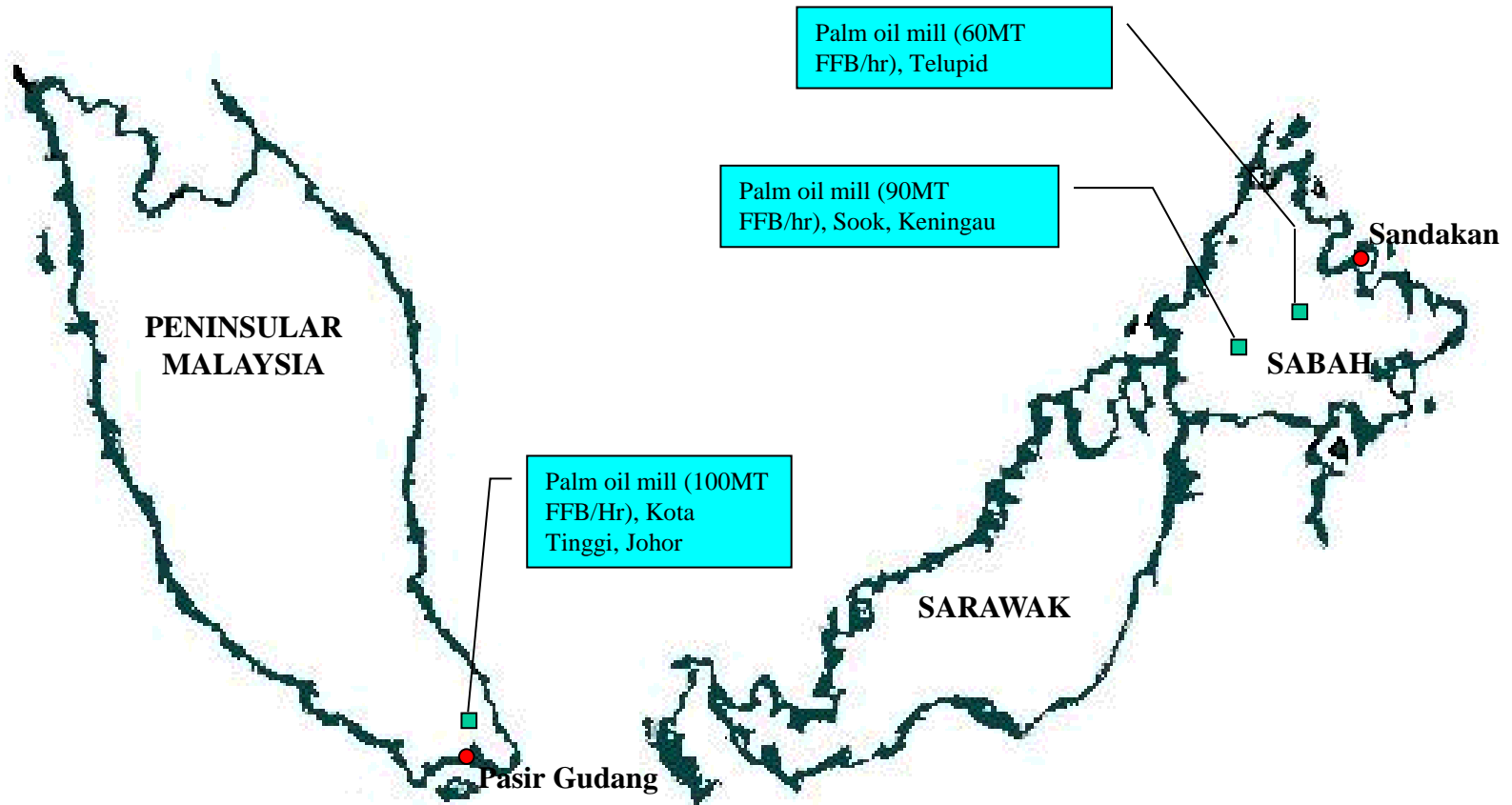
*The statistics for Malaysia National CPO yield are extracted from MPOB web-site based on calendar year 2018 to 2022 whilst the figures from KLR group are based on its financial year (Feb – Jan).

Palm Oil Milling:

MILLING LOCATION



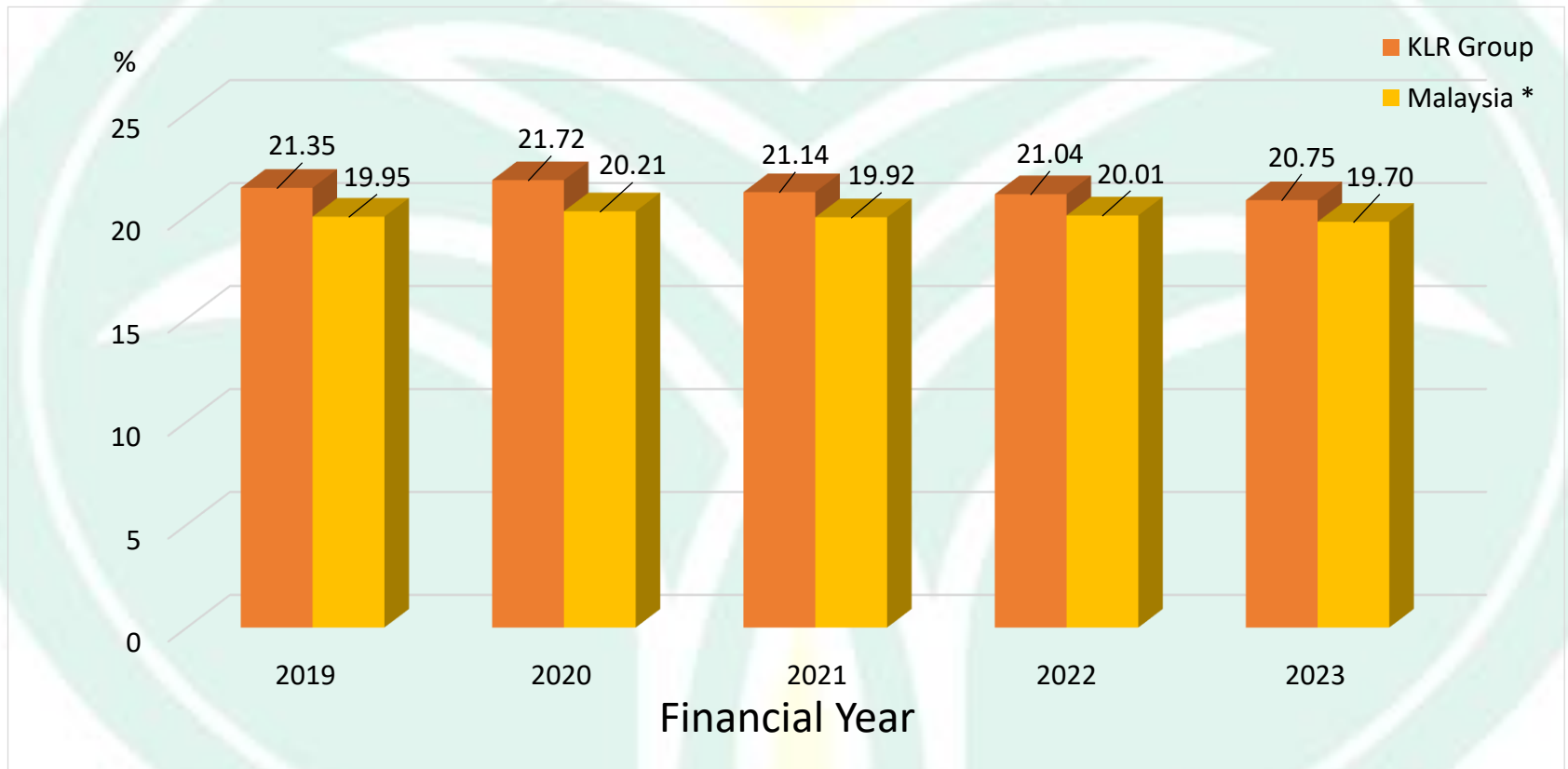
KIM LOONG
RESOURCES BERHAD





KIM LOONG
RESOURCES BERHAD

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.
- Based on readings of our three mills for 3 months up to April 2023, the amount of GHG (Methane) captured, which were then destroyed or repurposed to generate renewable energy for sales as well as to reduce our dependence on diesel power generator, was 7.4 million m³ (FY2023: 35.1 million m³).

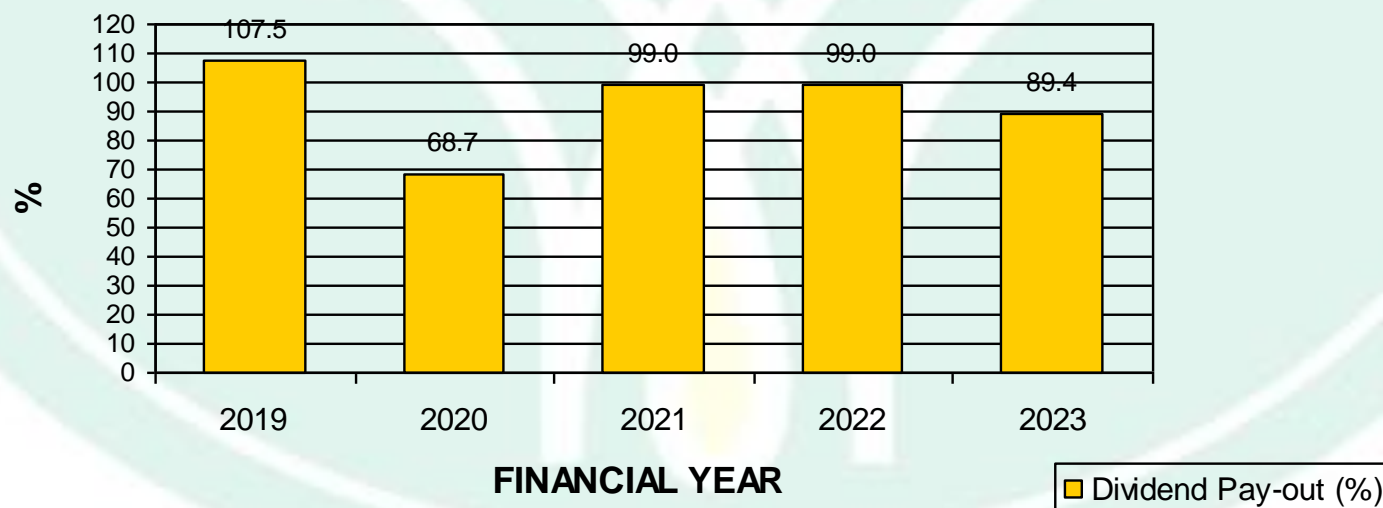
Plantation

- 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

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:





KIM LOONG
RESOURCES BERHAD



BUSINESS OUTLOOK AND STRATEGIES



Near Term Prospect

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 been volatile and 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)



KIM LOONG
RESOURCES BERHAD

Mill

- » Despite stiff competition from surrounding mills, we expect the total mill processing throughput of 1.5 million MT of FFB for FY2024.
- » 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)

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 4 months up to May 2023 in FY 2024, revenue of RM1.7 million has been generated from supplying power to TNB grid. Annual revenue of about RM5 million is expected from FY2024 onwards.





Near Term Prospect (continued)

Mill (continued)

Power projects implementation in: (continued)

- » 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 as well as profit in FY2024.
- » 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 FY2024.

KLR Group's Future Plan

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, 18th Floor, Public Bank Tower
19, Jalan Wong Ah Fook,
80000 Johor Bahru, Johor, Malaysia.

DIRECTORS

| | | | |
|-------------------------|-----------------------------|--------------------------|--|
| Gooi Seong Lim | Executive Chairman | Gooi Tsih Ern (f) | 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 | 969.85 million shares | |
| Market Cap | RM1.72 billion (based on share price of RM1.77 on 30 June 2023) | |
| Major Shareholders (as at 30 June 2023) | Sharikat Kim Loong Sendirian Berhad | 64.51% |
| | 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 | |



KIM LOONG
RESOURCES BERHAD



KIM LOONG
RESOURCES BERHAD

錦隆資源有限公司

197501000991 (22703-K)

THANK YOU

Contact person : Mr Gooi Seong Heen (Managing Director)
Tel : 607-2248316
Email : heen@kimloong.com.my