

**KIM LOONG RESOURCES BERHAD**  
**Registration No. 197501000991 (22703-K)**  
**(Incorporated in Malaysia)**

Minutes of the Fully Virtual Forty-sixth Annual General Meeting of the Company held on the meeting platform provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my> (MYNIC Domain Registration Number D6A357657) on Wednesday, 28 July 2021 at 11.00 a.m.

PRESENT :

BOARD OF DIRECTORS

Mr. Gan Kim Guan (Senior Independent Non-Executive Director) (in the Chair)  
Mr. Gooi Seong Lim (Executive Chairman)  
Mr. Gooi Seong Heen (Managing Director)  
Mr. Gooi Seong Chneh (Executive Director)  
Mr. Gooi Seong Gum (Executive Director)  
Mr. Chan Weng Hoong (Independent Non-Executive Director)  
Mr. Cheang Kwan Chow (Independent Non-Executive Director)

SHAREHOLDERS / PROXIES / CORPORATE REPRESENTATIVES

As per attendance record

BY INVITATION

Ms. Lee Ming Li (M/s. Ernst & Young PLT)

IN ATTENDANCE

Mr. Chow Kok Hiang (Finance Director)  
Mr. Kan Chee Jing (Company Secretary)

1. NOTE OF WELCOME

- 1.1 The Chairman informed the Meeting that he was appointed by the Board to chair the Meeting and welcomed the members to the Meeting.
- 1.2 The Chairman conveyed the sincere apologies of Mr. Gooi Seong Lim for not being able to chair the Meeting because he had suffered a minor injury recently.
- 1.3 The Chairman introduced the members of the Board, Senior Management, Company Secretary and representative from M/s. Ernst & Young PLT who participated the Meeting virtually.

2. QUORUM AND NOTICE

- 2.1 The Chairman informed the Meeting that the Secretary had confirmed the presence of a quorum and the Notice of Meeting and the Notification on the publication of the Notice of Meeting, the Annual Report 2021, the Corporate Governance 2021, the Statement to Shareholders in relation to the Proposed Renewal of Authority for Share Buy-Back and the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature on the Company's website, had been duly and properly distributed to the members.
- 2.2 With the consent of the Meeting, the Notice of Meeting was taken as read.

3. VOTING BY POLL

- 3.1 The Chairman informed that voting on all resolutions would be conducted by poll in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad. The electronic polling process would be undertaken by Boardroom Share Registrars Sdn. Bhd. (“Boardroom”) and the electronic poll results would be verified by M/s. SKY Corporate Services Sdn. Bhd. as the appointed Independent Scrutineer. Boardroom was then invited to give a video presentation on the Remote Participation and Electronic Voting System to the Meeting.
- 3.2 The Chairman informed that the electronic polling portal was open from the commencement of the Meeting until the end of the electronic polling session.
- 3.3 The Chairman also informed that questions could be submitted by clicking on the messaging chat box icon at any time until the announcement on the closure of Question & Answer session.

4. AGENDA ITEM NO. 1 – TO RECEIVE THE DIRECTORS’ REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> JANUARY, 2021 TOGETHER WITH THE AUDITORS’ REPORT THEREON

- 4.1 The Chairman informed that the agenda item no. 1 was meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, it was not put forward for voting.
- 4.2 The Chairman invited questions on the Audited Financial Statements and added that all questions would be dealt with during the Question & Answer session upon completion of the remaining business of the Meeting.
- 4.3 The Chairman explained that the Audited Financial Statements had been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 2016 giving a true and fair view of the financial position of the Group and the Company for the financial year ended 31<sup>st</sup> January, 2021.
- 4.4 The Chairman declared that the Directors’ Report and the Audited Financial Statements of the Group and the Company for the year ended 31<sup>st</sup> January, 2021 together with the Auditors’ Report thereon be received.

5. ORDINARY RESOLUTION NO. 1 – TO DELARE A FINAL SINGLE TIER DIVIDEND OF 3 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31<sup>ST</sup> JANUARY, 2021

- 5.1 The Chairman tabled the Ordinary Resolution No. 1 pertaining to the declaration of a final single tier dividend of 3 sen per share in respect of the year ended 31<sup>st</sup> January, 2021 and if approved, the dividend would be paid on 30<sup>th</sup> August, 2021 to the shareholders registered in the Record of Depositors as at 13<sup>th</sup> August, 2021.
- 5.2 The Ordinary Resolution No. 1 was put to vote upon completion of the remaining business of the Meeting.

6. ORDINARY RESOLUTION NO. 2 – TO APPROVE THE PAYMENT OF DIRECTORS’ FEES TALLING RM288,000 FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> JANUARY, 2021
  - 6.1 The Chairman tabled the Ordinary Resolution No. 2 to approve the payment of Directors’ fees totaling RM288,000 for the year ended 31<sup>st</sup> January, 2021.
  - 6.2 The Ordinary Resolution No. 2 was put to vote upon completion of the remaining business of the Meeting.
7. ORDINARY RESOLUTION NO. 3 – TO APPROVE THE PAYMENT OF DIRECTORS’ BENEFITS OF UP TO RM40,000 FROM THIS ANNUAL GENERAL MEETING UNTIL THE NEXT ANNUAL GENERAL OF MEETING OF THE COMPANY
  - 7.1 The Chairman tabled the Ordinary Resolution No. 3 to approve the payment of Directors’ benefits of up to RM40,000 from this Annual General Meeting until the next annual general meeting of the Company.
  - 7.2 The Ordinary Resolution No. 3 was put to vote upon completion of the remaining business of the Meeting.
8. ORDINARY RESOLUTION NO. 4 - RE-ELECTION OF MR. GOOI SEONG CHNEH AS A DIRECTOR
  - 8.1 The Chairman tabled the Ordinary Resolution No. 4 pertaining to the re-election of Mr. Gooi Seong Chneh who was retiring at the conclusion of the Meeting in accordance with Clause 88 of the Constitution of the Company and being eligible, had offered himself for re-election.
  - 8.2 The Ordinary Resolution No. 4 was put to vote upon completion of the remaining business of the Meeting.
9. ORDINARY RESOLUTION NO. 5 - RE-ELECTION OF MR. CHEANG KWAN CHOW AS A DIRECTOR
  - 9.1 The Chairman tabled the Ordinary Resolution No. 5 pertaining to the re-election of Mr. Cheang Kwan Chow who was retiring at the conclusion of the Meeting in accordance with Clause 88 of the Constitution of the Company and being eligible, had offered himself for re-election.
  - 9.2 The Ordinary Resolution No. 5 was put to vote upon completion of the remaining business of the Meeting.
10. ORDINARY RESOLUTION NO. 6 – TO RE-APPOINT M/S. ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION
  - 10.1 The Chairman tabled the Ordinary Resolution No. 6 pertaining to the re-appointment of M/s. Ernst & Young PLT as Auditors of the Company at a fee to be agreed upon with the Directors and to hold office until the conclusion of the next annual general meeting.
  - 10.2 The Ordinary Resolution No. 6 was put to vote upon completion of the remaining business of the Meeting.

11. ORDINARY RESOLUTION NO. 7 - AUTHORITY TO ALLOT AND ISSUE SHARES NOT EXCEEDING 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

11.1 The Chairman tabled the Ordinary Resolution No. 7 pertaining to the authority to allot and issue shares as set out in the Notice of Meeting -

“THAT subject always to the Companies Act, 2016, the Constitution of the Company and the approval of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as they may deem fit and that the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad provided always that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company.”

11.2 The Chairman said that the Board seeks the mandate of the shareholders to allot and issue new shares up to an amount not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares) for the reasons as explained in the Notice of Meeting.

11.3 The Ordinary Resolution No. 7 was put to vote upon completion of the remaining business of the Meeting.

12. ORDINARY RESOLUTION NO. 8 - PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

12.1 The Chairman tabled the Ordinary Resolution No. 8 pertaining to the Proposed Renewal of Authority for Share Buy-Back as set out in the Notice of Meeting -

“THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 2016 (“the Act”), the provisions of the Company’s Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authority, approval be and is hereby given to renew the authority for the Company to purchase its own shares through Bursa Securities, subject to the following -

(a) the maximum number of shares which may be purchased by the Company (which includes the shares already purchased and held as treasury shares) shall be 93,541,573 representing 10% of the total number of issued shares of the Company as at 22 April 2021;

(b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the audited retained profits of the Company as at 31 January 2021 of RM109,824,166;

(c) the authority conferred by this Ordinary Resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next annual general meeting or the expiry of the period within which the next annual general meeting is required by law to be held, whichever occurs first (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the requirements issued by Bursa Securities or any other relevant authorities;

(d) upon completion of the purchase by the Company of its own shares, the shares shall be dealt with in the following manner -

- (i) to cancel the shares so purchased; or
- (ii) to retain the shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resell through Bursa Securities and/or subsequently cancel the treasury shares and/or transfer the treasury shares for the purposes of or under an employees' share scheme or as purchase consideration; or
- (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder;

and in any other manner as prescribed by Section 127 of the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.”

12.2 The Chairman drew shareholders' attention to the rationale for the Proposed Renewal of Authority for Share Buy-back as set out in the Statement to Shareholders. As the mandate obtained at the last annual general meeting held on 28<sup>th</sup> July, 2020 would expire at the conclusion of that meeting, the Board sought a renewal of the same mandate.

12.3 The Ordinary Resolution No. 8 was put to vote upon completion of the remaining business of the Meeting.

12.4 As the Chairman was an interested party in the next resolution on the retention of himself as Independent Non-Executive Director, he invited the Independent Non-Executive Director, Mr. Chan Weng Hoong, to take over the Chair and put forward the resolution to the Meeting.

12.5 Mr. Chan Weng Hoong then took the Chair.

### 13. ORDINARY RESOLUTION NO. 9 - RETENTION OF MR. GAN KIM GUAN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

13.1 Mr. Chan Weng Hoong tabled the Ordinary Resolution No. 9 pertaining to the retention of Mr. Gan Kim Guan as an Independent Non-Executive Director as set out in the Notice of Meeting -

“THAT Mr. Gan Kim Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017.”

- 13.2 Mr. Chan Weng Hoong informed the Meeting that the Nominating Committee and the Board had assessed the independence of Mr. Gan Kim Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years and recommended him to be retained as an Independent Non-Executive Director of the Company based on the justification as stipulated in the Notice of Meeting.
  - 13.3 The Ordinary Resolution No. 9 was put to vote upon completion of the remaining business of the Meeting.
  - 13.4 Mr. Chan Weng Hoong then passed the Chair back to Mr. Gan Kim Guan.
14. ORDINARY RESOLUTION NO. 10 - RETENTION OF MR. CHAN WENG HOONG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR
- 14.1 The Chairman tabled the Ordinary Resolution No. 10 pertaining to the retention of Mr. Chan Weng Hoong as an Independent Non-Executive Director as set out in the Notice of Meeting -  
  
“THAT Mr. Chan Weng Hoong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017.”
  - 14.2 The Chairman informed the Meeting that the Nominating Committee and the Board had assessed the independence of Mr. Chan Weng Hoong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years and recommended him to be retained as an Independent Non-Executive Director of the Company based on the justification as stipulated in the Notice of Meeting.
  - 14.3 The Ordinary Resolution No. 10 was put to vote upon completion of the remaining business of the Meeting.
15. ORDINARY RESOLUTION NO. 11 - RETENTION OF MR. CHEANG KWAN CHOW AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR
- 15.1 The Chairman tabled the Ordinary Resolution No. 11 pertaining to the retention of Mr. Cheang Kwan Chow as an Independent Non-Executive Director as set out in the Notice of Meeting -  
  
“THAT Mr. Cheang Kwan Chow, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017.”
  - 15.2 The Chairman informed the Meeting that the Nominating Committee and the Board had assessed the independence of Mr. Cheang Kwan Chow, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years and recommended him to be retained as an Independent Non-Executive Director of the Company based on the justification as stipulated in the Notice of Meeting.
  - 15.3 The Ordinary Resolution No. 11 was put to vote upon completion of the remaining business of the Meeting.

16. ORDINARY RESOLUTION NO. 12 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

16.1 The Chairman tabled the Ordinary Resolution No. 12 pertaining to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out in the Notice of Meeting –

“THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the Proposed Shareholders' Mandate for the Company and / or its subsidiaries to enter into and give effect to the category of the recurrent related party transactions of a revenue or trading nature with the related parties, as specified in Section 2.3 of the Circular to Shareholders dated 28 May 2021 provided that such transactions are made on an arm's length basis and on normal commercial terms and subject further to the following -

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders; and
- (b) disclosure is made in the Annual Report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information -
  - (i) the type of the recurrent transactions made; and
  - (ii) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company,

and such authority shall commence upon the passing of this Ordinary Resolution and shall continue to be in force until -

- (a) the conclusion of the next annual general meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the said Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors and / or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and / or authorised by this Ordinary Resolution.”

- 16.2 The Chairman informed the Meeting that the Company proposed to seek the renewal of its shareholders' mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature to be entered into by the Company and / or its subsidiaries with the related parties which are in the ordinary course of business and necessary for the day-to-day operations of the Group and are made on an arm's length basis and on normal commercial terms that are not more favourable to the related parties than those generally available to the public and will not be to the detriment of the Company's minority shareholders.

The details of the class of related parties and the nature of the Recurrent Related Party Transactions including the estimated aggregate value of such transactions, which are to be covered by the Proposed Shareholders' Mandate, are set out in Section 2.3 on Pages 3 to 4 of the Circular to Shareholders.

The interested Directors and / or the interested major shareholders, namely Mr. Gooi Seong Lim, Mr. Gooi Seong Heen, Mr. Gooi Seong Chneh, Mr. Gooi Seong Gum, Mr. Gooi Khai Chien, Mr. Gooi Chuen Kang and Sharikat Kim Loong Sdn Bhd and the persons connected with them, will abstain from voting in respect of their direct and / or indirect shareholdings in the Company on this proposal.

The Board, save for the interested Directors, is of the opinion that the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is in the best interest of the Company and its subsidiaries and hence, recommended that the shareholders vote in favour of the resolution.

- 16.3 The Ordinary Resolution No. 12 was put to vote upon completion of the remaining business of the Meeting.

17. AGENDA ITEM NO. 12 – TO CONSIDER ANY OTHER BUSINESS FOR WHICH DUE NOTICE SHALL HAVE BEEN GIVEN

- 17.1 The Chairman informed the Meeting that no notice was received to transact any other business.

- 17.2 As all the Ordinary Resolution Nos. 1 to 12 as set out in the Notice of Meeting had been tabled, the Chairman proceeded with the Question & Answer session.

18. QUESTION & ANSWER SESSION

- 18.1 The Chairman informed the Meeting that questions which were similar or repetitive would be addressed once.

- 18.2 The Chairman, Mr. Gooi Seong Heen and Mr. Chow Kok Hiang responded to the questions submitted online as set out in Appendix 1.

- 18.3 The Chairman thanked the shareholders / proxies / corporate representatives for their participation. If there were questions which were not responded, the Company would revert via email later. With that, the Question & Answer session closed.

19. ELECTRONIC POLLING SESSION

- 19.1 The Chairman informed the Meeting that the poll would open for the next 10 minutes for casting of votes and would automatically end as per the countdown shown on the screen. Thereafter, the online voting would close.

19.2 The Chairman added that the counting of votes by Boardroom and verification by the Independent Scrutineer of the results would take approximately 20 minutes after the conclusion of the voting session. The Meeting would resume upon receiving the poll results verified by the Independent Scrutineer.

20. ANNOUNCEMENT OF ELECTRONIC POLL RESULTS

20.1 At 12.20 p.m., the Chairman resumed the Meeting to announce the poll results.

20.2 The Chairman informed the Meeting that the electronic poll results for all the 12 Ordinary Resolutions which had been duly verified by the Independent Scrutineer were known and displayed on the screen as set out in Appendix 2. He then declared all the Ordinary Resolution Nos. 1 to 12 were carried.

21. CLOSURE OF MEETING

21.1 There being no further business, the Chairman thanked all the participants in the Meeting and declared the Meeting closed at 12.25 p.m.

CONFIRMED AS A CORRECT  
RECORD OF THE PROCEEDINGS

GAN KIM GUAN  
CHAIRMAN

## Appendix 1

KIM LOONG RESOURCES BERHAD  
Registration No. 197501000991 (22703-K)  
(Incorporated in Malaysia)

FORTY-SIXTH ANNUAL GENERAL MEETING  
Wednesday, 28 July 2021  
11.00 a.m.

### Pertinent questions and answers during the Question & Answer session

- Q1. What will be the outlook for 2021 and 2022 since oil palm is trading above RM4K?
- A1. CPO commodity price has been very volatile and abnormal recently. Although CPO is currently traded above RM4,500 per MT, we believe the CPO price could not be sustained at the current high level for long term. Barring severe drought in US and South America over the next few months, we expect CPO prices in last quarter 2021 to 2022 to be lower. The outlook of the Group's performance for 2021 and 2022 should be good if the average CPO price could sustain above RM3,500 for the next 2 years.
- Q2. The completion date for the proposed acquisition of 2,862 acres plantation land in Sabah has been further extended to Sept 2021.
- (a) What are the reason(s) for the numerous extension given to complete the transaction?
- (b) 2,722 acres has been registered in the name of Suhenson Estate Sdn. Bhd. pending fulfilment of Condition Precedents. What are the risk(s) for the non-fulfilment of the Condition Precedents?
- A2. (a) This is mainly due to the delay in securing all the necessary approval from various state agencies. It is caused by various MCO / lockdown during the 1 year plus period.
- (b) The risk of non-fulfilment is low as we secured all necessary approval but pending endorsement on those titles.
- Q3. What is the current progress on the application for a CPO milling license in Sarawak? What will be the expected capex and milling capacity for the proposed mill?
- A3. The expected capex will be approximately RM60 million and milling capacity about 60 tonne / hour. However, due to the various MCO and shutdown of the government agencies, application has been much delayed and it will not be too soon.
- Q4. There has been a jump in the revenue from supplying power to TNB amounting to RM5.1 million in FY2021 vs RM1.8 million in FY2020.
- (a) What are the reason(s) for the huge increase in revenue?
- (b) Can the increase be sustained for FY2021 and beyond?
- A4. Revenue in FY2020 was only for a period of about 3 months, whilst FY2021 was full year. Moving forward, we expect the annual revenue would be stable at around RM5 - 6 million.

- Q5. CPO prices is on uptrend and has reached record levels and our Company has benefited, However, our Company's performance is still way below that of 2018, Why is this so? Did our Company sell forward at average prices well below spot levels, if so to what extent? Are there other issues that hold back CPO sales at higher average price potential? What about the labour situation and impact?
- A5. Profit not as high as FY2018 mainly due to 19% lower FFB production in FY2021. Forward sales of FFB production up to about 50% of projected production up to December 2021. Average price is in the range of RM3,400 per MT which was committed early of this year. We don't foresee weather problem is the reason for the price has gone up higher. We will consider hedging the remainder of our production at a higher price, hopefully can catch a much higher price for the whole year. Labour situation is slightly short but manageable.
- Q6. Under the breakdown of the Total Remuneration for Executive Directors, there is amount of approximately RM1.3 million paid under the category "Other Emoluments". Please provide more details on the payment made under this category.
- A6. RM1.3million is EPF contribution while a small component is meeting allowance.
- Q7. (a) There is strong anti palm oil lobby in EU. How are you going to counter them?  
(b) What is the future outlook for the Company and shareholders in next 3 years in view of the Covid-19 pandemic.
- A7. (a) There is not much that we can do. We comply with local MSPO requirements. We also try to apply for RSPO compliance.  
(b) So far, the Covid-19 pandemic has not really affected us. Hopefully, in next 3 years, the price will be well supported because once the economy opens up, the sale of CPO should be a lot better.
- Q8. According to our production figures, our Company's CPO tonnage is way above that for FFB tonnage while most other companies are way lower, how is this possible, please elaborate? What is the % of our FFB tonnage comes from our own palm oil estates and what % is purchased from outside supplies? To what extent is our CPO production tonnage coming from our own estate's FFB? Do you treat some off our palm oil milling operations at different locations as separate business units since they may be milling FFB source elsewhere? If so, what % and how are the CPO from these mills sold and classified?
- A8. For FFB intake, only about 20% FFB is from own estates while the remaining 80% is from outside suppliers due to our good relationship with them. We group all the operations of all 3 palm oil mills within the Group as milling operations.
- Q9. Page 26 of the annual report stated that "The unit cost of production (excluding raw materials) of CPO has dropped by 15% to RM230 per MT of CPO. The total unit cost of production of CPO has also decreased by 12% to RM1,350 per MT of CPO."
- (a) Please explain in layman terms what is the unit cost of production excluding raw material?  
(b) The total unit cost of RM1,350. Are this an all-in cost that includes kernel credit and bio asset amortisation expenses? What is the all-in cost exclude the kernel credit?
- A9. (a) This is palm oil milling processing cost which comprise labour cost and factory overhead.  
(b) RM1,350 is ex-mill all-in cost.

Q10. It is good to see that our Company has been able to consistently achieve a much superior yield than the industry average. Considering that our Company's production yield has been relatively flat over the past few years, does it suggest that the production efficiency and yield have reached an optimal level, with no more room to improve?

A10. Our yield has been averaging steady because we are doing consistent replanting over years. That tends to pull down a bit the yield itself. Weather plays a role on suppressing the yield in the last 2 years. On improvement, we hope our replanted area getting mature and coming into production. This should improve the yield slightly. We look forward to buy new land with good location to help to improve our production.

Q11. What is your dividend policy if any do we expect higher div for FY2022?

A11. Normally, the Company will pay at least 30% of profit. We have been paying higher % so far.

Q12. The plantation yield per hectare has been decreasing for the last 3 years, since 2018. What are the issues and what is the management doing to correct the low yield? When can we see the yield increasing again?

A12. The fluctuation in yield per hectare could be due to cyclical factors, age profile and replanting programme. In fact, FFB yield has improved from 19.20 (FY2020) to 22.41 (FY2021). Going forward, we expect yield to improve as the replanting area will be yielding more.

Q13. Mr. SH Gooi once mentioned that there is a limited room for growth in terms of plantation expansion. As such, what prospect can shareholders look forward to in future?

A13. Actually, what I meant is mainly due to restriction given by RSPO and anti palm oil lobby on limiting plantation development on forest as well as peat soil so not much land left available for planting. In addition, our government policy limits further development on oil palm plantation. Going forward, we still emphasize to increase efficiency and hope for higher CPO prices, better milling margin and contribution from renewable energy to increase the Group profit.

Q14. What is the estimate extraction rate for year 2021? Is there any way to improve the extraction rate?

A14. Estimated average is in the range of 21.50%. We have been running at an optimal efficiency, therefore not much room for improvement in OER.

Q15. In view of the labour shortage in Malaysia, there has been report of reduced FFB production against the projected figures. Does the lower production impacted Kim Loong's mills in procuring the necessary FFB for CPO milling? Has the high FFB prices impacted the cost of production at the mills?

A15. Labour shortage has caused some impact to plantation operations. During this period, we manage the situation as much as we can so that we don't get into MCO shutdown because of Covid-19 infection. Overall lower production from plantations has affected milling capacity utilisation. High FFB price has increased cost of production, but minimal impact on processing margin.

## Appendix 2

**KIM LOONG RESOURCES BERHAD**  
 Registration No. 197501000991 (22703-K)  
 (Incorporated in Malaysia)

**FORTY-SIXTH ANNUAL GENERAL MEETING**  
**Wednesday, 28 July 2021**  
**11:00 a.m.**

	VOTES FOR	NO OF RECORDS	%	VOTES AGAINST	NO OF RECORDS	%	VOTES TOTAL
RESOLUTION 1	628,484,650	105	99.9997	2,000	1	0.0003	628,486,650
RESOLUTION 2	628,461,768	93	99.9960	24,882	13	0.0040	628,486,650
RESOLUTION 3	628,441,768	92	99.9962	23,882	13	0.0038	628,465,650
RESOLUTION 4	628,483,170	101	99.9994	3,480	5	0.0006	628,486,650
RESOLUTION 5	626,233,250	102	99.6415	2,253,400	4	0.3585	628,486,650
RESOLUTION 6	628,484,650	105	99.9997	2,000	1	0.0003	628,486,650
RESOLUTION 7	628,410,368	92	99.9879	76,282	14	0.0121	628,486,650
RESOLUTION 8	628,466,768	99	99.9982	11,482	6	0.0018	628,478,250
RESOLUTION 9	628,474,870	100	99.9996	2,780	5	0.0004	628,477,650
RESOLUTION 10	628,429,350	100	99.9995	3,300	3	0.0005	628,432,650
RESOLUTION 11	626,224,250	101	99.6415	2,253,400	4	0.3585	628,477,650
RESOLUTION 12	10,452,062	87	99.9638	3,782	7	0.0362	10,455,844

