

Kim Loong to benefit from investment in hi-tech palm oil factory

■ **By Ooi Tee Ching**
bt@nstp.com.my

PLANTATION company Kim Loong Resources Bhd will enjoy higher oil extraction rate and a 10-year tax holiday for its investment in a palm-pressed fibre oil extraction (PFOE) plant at its Kota Tinggi plantation in Johor.

Palm fibre and residual oil are used as fuel to generate steam for mill operations.

"Now, we can extract the six per cent residual oil from the palm fibre with this PFOE technology. Basically, we'll be able to extract an additional 2,400 tonnes of crude palm oil annually," said managing director Gooi Seong Heen after Eonmetall Group Bhd's handover of the world's first PFOE plant to Kim Loong.

"Our present oil extraction rate at our Kota Tinggi mill is 18.5 per cent, but with this new technology, we'll see it rise by another 0.5 per cent," he said.

Satisfied with Eonmetall's

work, Kim Loong has placed a second PFOE order for its Sabah mill.

Currently, Kim Loong has fully planted its landbank of 13,600ha, of which about 1,000ha are immature, while two-thirds are young trees.

On its acquisition plans, Gooi said: "We want to double our existing landbank but there is nothing on the table yet."

He said Kim Loong is expected to produce about 220,000 tonnes of fresh fruit bunches this year.

For 2008, it is expected to produce another 20 per cent as more trees mature and its PFOE mill extracts more oil.

"We expect good results in the current financial year," Gooi said.

"So far, we have earnings contribution from the organic fertiliser and biogas businesses. While we have just commissioned a tocotrienol plant, we should see income stream from this business next year," he said.