KUALA LUMPUR KEPONG BERHAD
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Press Release

KLK OLEO LAUNCHED ITS 4th REACTOR SPECIALTY ESTER PLANT AND R&D CENTRE

Klang, Selangor, 3 Oct 2017 – KLK OLEO, a subsidiary of the Kuala Lumpur Kepong Berhad (KLK), launched its 4th Reactor Specialty Ester Plant (EP4) and Research & Development (R&D) Centre located in Klang, Selangor. This key milestone reaffirms KLK OLEO's as one of the world's leading oleochemical producers.

The event was officiated by the Second Minister of International Trade and Industry, YB Dato' Seri Ong Ka Chuan, accompanied by Tan Sri Lee Oi Hian, the Chief Executive Officer of KLK. Also present were KLK Oleo's Managing Director, Mr. AK Yeow, Chief Executive Officer of Malaysian Investment Development Authority (MIDA), YBhg Datuk Azman Mahmud, the ministerial delegations from Malaysia Palm Oil Board (MPOB) and MIDA as well as the directors and management of KLK.

KLK OLEO's downstream journey started in 1991 with a fatty acid and glycerin plant in Rawang with a production of 45,000 tonnes per year and gradually expanded to the current 3 million tonnes capacity worldwide, a 67-fold increase in production over the years. KLK had grown from a local player to one of the leading global oleochemical producers with presence in Malaysia, China, Indonesia and Europe. The KLK OLEO's EP4, commissioned this year, produces ingredients that are used in cosmetics and bio-lubricants.

The R&D Centre was set up in Malaysia as KLK OLEO's international research, development and technology hub to service and support its global oleochemical business. The R&D team is specialised in organic synthesis, spearheading advanced analytical support, driving the innovation of high-value applications for oleochemical derivatives. Through the establishment of this R&D Centre, the KLK OLEO Group has been able to leverage on partner relationships on numerous collaboration projects.

Sharing the significance of the newly launched plant, Tan Sri Lee Oi Hian, the Chief Executive Officer of KLK said, "With this additional plant, we will be able to increase the capacity and hence the efficiency. The increasing demand for specialty esters reaffirms the necessity of continuous investments and initiatives that we have embarked upon in line with the vision of our government under the Palm Oil National Key Economic Area (NKEA) Entry Point Project 6 (EPP 6) where the palm oil industry is targeted to contribute to RM178 billion to Malaysia's Gross National Income (GNI) and the creation of 41,600 jobs by 2020."

"Technology, innovation and an inventive spirit have been our priority in the past 25 years since we started our downstream journey. We believe that more research and commercialisation efforts on palm based downstream products are important to make sure the commodities sector remains sustainable and competitive in the long run. Therefore, the centralised R&D centre is an important milestone in bringing cutting-edge technology and innovation in the development of oleo-based products and solutions," added Tan Sri Lee.

In his speech, the Second Minister of International Trade and Industry, YB Dato' Seri Ong Ka Chuan said, "Malaysia's palm oil industry has come a long way from 100 years ago, along with challenges and greater successes. It was crucial for the palm oil industry to increase productivity and efficiency as expansion in Malaysia was limited due to the scarcity of available new land. We need to have different high value products such as expanding the products to pharmaceutical and oleochemicals. It's heartening to see company such as KLK putting much thought into investing and developing oleo derivatives plants and R&D centre."

About Kuala Lumpur Kepong Berhad

Kuala Lumpur Kepong Berhad ("KLK"), a company incorporated in Malaysia, is listed on the Main Market of Bursa Malaysia Securities Berhad with a market capitalisation of approximately RM26.5 billion at the end of June 2017. Started as a plantation company more than 100 years ago, plantations (oil palm and rubber) still lead as KLK's core business activity. Through various strategic acquisitions and sound management, the Group's plantation land bank now stands close to 270,000 hectares spread across Malaysia (Peninsular and Sabah), Indonesia (Belitung Island, Sumatra, central and east Kalimantan) and Liberia. The Group had also diversified into resource-based manufacturing (oleochemicals, derivatives and specialty chemicals) and property development.

The KLK OLEO Group is a part of KLK. KLK OLEO is the world's preeminent oleochemical producer that is committed to delivering excellence in the global marketplace. KLK OLEO's world scale integrated oleochemical complexes located in key sourcing and supply markets (Malaysia, Indonesia, China and Europe). It produces a wide range of high quality sustainable oleochemical products from natural renewable raw materials. Through continuous reinvestment and portfolio expansion, the product portfolio ranges from basic fatty acids & glycerine, fatty alcohols & fatty esters, to sulphonated methyl esters and surfactants. At the specialty segment, KLK OLEO also manufactures nutraceutical and cosmeceuticals range of vitamin E.

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(Left to Right) Dato' Azman Mahmud, CEO of MIDA, Tan Sri Lee Oi Hian, CEO of KLK, Dato' Seri Ong Ka Chuan, Second Minister of Ministry of International Trade and Industry (MITI), Mr Toshihiko Todokoro, Branch General Manager of Mitsui & Co, Datin K Talagavathi, Senior Director of MITI and Tan Sri Azlan Mohd Zainal, Director of KLK

Dato' Seri Ong Ka Chuan, Second Minister of Ministry of International Trade and Industry officiate the opening ceremony of 4th Reactor Specialty Ester Plant (EP4) and Research & Development (R&D) Centre by signing the plaque

Through the establishment of this R&D Centre, KLK OLEO Group will be able to leverage on partner relationships on numerous collaboration projects