

**Company Name** : MKH Oil Palm (East Kalimantan) Berhad  
**Date** : 28 November 2024  
**Source** : The Sun Daily

## **MKH Oil Palm Reaps Net Profit Of RM21m For Q4, Declares 2 Sen Dividend**



*Chen says the group's prospects for financial year ending Sept 30, 2025 remain well-supported with strong market demand for CPO.*

PETALING JAYA: MKH Oil Palm (East Kalimantan) Bhd (MKHOP), an upstream oil palm plantation company based in East Kalimantan, Indonesia, reported a net profit of RM21 million on the back of revenue of RM90.59 million for its fourth quarter ended Sept 30, 2024 (Q4'24).

Earnings per share stood at 2.73 sen for the quarter.

In a statement today, the company said there were no comparative quarterly figures on a quarterly basis, as the company was only listed on the Main Market of Bursa Malaysia Securities on April 30.

The good results were driven by a combination of higher crude palm oil (CPO) and palm kernel (PK) prices, which have been steadily trending up. Its efficiency levels improved, with the company generating a higher oil extraction rate (OER) of 21.2% for the financial year ended Sept 30, 2024 (FY24), compared to 20.6% in FY23.

The stellar quarterly results brought MKHOP's net profit for FY24 to RM64.21 million, a 95.8% jump from RM32.8 million in FY23, and bringing the company's full-year EPS to 8.25 sen. Revenue increased by 4.16% to RM352.22 million.

MKHOP declared a second interim single-tier dividend of 2 sen per share to be paid on Dec 30. A first interim single-tier dividend of 2 sen per share was already paid on June 12. This would bring total dividends declared in FY24 to 4 sen per share, or a yield of about 6% based on MKHOP's current share price of 67 sen.

In the fourth quarter, the average CPO price per tonne net of Indonesia's export duty and levy, stood at RM3,592, while average PK price per tonne stood at RM2,352.

For the whole of 2024, the average CPO/tonne net of Indonesia's export duty and levy, and PK/tonne price for MKHOP stood at RM3,494 and RM1,820 respectively. It recorded fresh fruit bunch production of 406,657 tonnes for this period.

To date, MKHOP has a total land area of 18,205ha, with a planted area of 17,009ha.

The company remains strong financially and has almost no borrowings. It has a cash pile of RM225.22 million as of Sept 30.

MKHOP chairman Tan Sri Alex Chen Kooi Chiew @ Cheng Ngi Chong said: “I am extremely pleased with the superb results of FY24. We will continue to enhance on our expansion programme, mechanisation and smart app to maximise efficiencies and propel our growth moving forward.”

With these efforts, he added, the group’s prospects for financial year ending Sept 30, 2025 remain well-supported with strong market demand for CPO, which has been trading at RM3,800 to RM4,300 a tonne (nett of export levy and duty) in Indonesia.

“There has been stable demand for CPO; bolstered in part by Indonesia’s planned adoption of biodiesel mandate in January 2025 from B35 biodiesel to B40 biodiesel, the relatively tight global supply in other vegetable oils and fats, and strong seasonal demand,” said Chen.

He disclosed that the company is in the midst of conducting its due diligence exercise for its planned land acquisitions. The relevant announcements will be made in stages in the near future.

“The company is also researching on the integration of fish-rearing within its plantations to boost efficiency and as part of its environmental, social, and governance efforts. Given the above, the board of directors expect the group to achieve satisfactory results for the financial year ending Sept 30, 2025,” he said.