

### CPO AND PALM KERNEL

LCSB produces two main products from the oil palm fresh fruit bunches (FFB) by way of milling activities from our CPO mills. The two products are:

- Crude Palm Oil (CPO)
- Palm Kernel (PK)

### CRUDE PALM OIL

Crude Palm Oil (CPO) is derived from oil palm fresh fruit bunches (FFB) via milling process activities. The FFB from our plantations is transported to the mill within 24 hours after being harvested, and the mill will process the FFB in various processing stages to finally produce the CPO. Each of our CPO mills currently can produce approximately 150 - 200 mt of CPO per day. The Investment Division of LCSB is responsible to market our CPO where our major purchasers come from all over Peninsular Malaysia such as Cargill Palm Products, Pasir Gudang Edible Oil, Ngo Chew Hong, Mewaholeo Industries and Pan Century Edible Oils. The pricing for the sales of the CPO is done via daily market pricing mechanism. Under standard CPO sales contract, one contract will consists of 100 mt of CPO with 2% plus or minus in tonnage which varies upon delivery to the refineries.



### PALM KERNEL

Palm Kernel is derived from the crushing of the palm oil nut in milling process. This is the softer part inside the shell of a nut or stone of fruit. Our main purchaser for the palm kernel is Hup Lee Oil Mill in Kapar, Klang. Other spot purchasers are Lee Oil Mill and Sin Huat Hin Oil Mill. Currently, each of our mills can produce approximately 45-60 mt of kernels per day.