



Media Release

For Immediate Release

Samling Strategic Corporation Sdn Bhd and Kobe Steel Ltd Sign Letter of Intent to Develop a Sustainable Woody Black Pellet Business for the Region

21 August 2025, Kuala Lumpur, Malaysia- Samling Strategic Corporation Sdn Bhd and Kobe Steel Ltd., signed a Letter of Intent (LOI) on 18 August 2025 to collaborate on the development of a sustainable woody black pellet (BP) business for the Asian region. It is intended to develop and build a sustainable industrial base comprising state of the art production facilities and integrated logistics infrastructure in Sarawak, Malaysia.

The signing ceremony, held in Kuala Lumpur, was witnessed by YB Datuk Dr. Haji Hazland bin Abang Haji Hipni, the Deputy Minister for Energy and Environmental Sustainability for Sarawak, signifying the project's importance to both Malaysia's and the State's economic, sustainability and low carbon ambitions.

Under the LOI, both parties will jointly conduct a comprehensive feasibility study for the establishment of black pellet production facilities in Sarawak. The collaboration will leverage on Sarawak's abundant and sustainably managed woody resources and Kobe Steel Ltd's and its partners' technological expertise and market leadership in the bioenergy sector.

Black pellets are a type of advanced biomass fuel, and their main uses revolve around renewable energy generation—especially as a substitute for coal in power generation and industrial heat production. The goal is to establish a regional black pellet hub in Sarawak with Kobe Steel with an initial target production capacity of at least 300,000 metric tonnes per year, with potential future expansion to 1 million metric tonnes per year. This will lay the foundation towards unlocking Samling's full operational target of 2 million metric tonnes going forward. This will position Sarawak as a key player in the regional and global bioenergy market. The black pellet from the project which will be mainly used for heat and power generation in Kobe Steel's steel making processes will contribute to reducing carbon emissions, fostering energy transition, and supporting a circular economy. All production figures and timelines stated herein are forward-looking aspirations subject to the outcome of the feasibility study and relevant approvals.

Datuk Dr. Hazland in his address, highlighted how this collaboration is a significant step in the state's journey towards a green economy, as outlined in the post-COVID-19 Development Strategy 2030 (PCDS 2030). He said "This partnership a powerful symbol of a shared commitment to a more sustainable future. By turning sustainable woody biomass into a high-value renewable energy source, we're not only creating a brand-new industry; we're also demonstrating our commitment to environmental stewardship and a circular economy. This project will help lower our carbon footprint, not just in Sarawak, but across the entire Asian region."



Mr. Lawrence Chia, Chief Executive Officer of Samling, expressed his enthusiasm for the partnership. He said, "This marks a significant step forward in Samling's and Kobe Steel Ltd's shared journey towards a more sustainable future. Samling has extensive experience producing white pellets in Sarawak for a power plant in Japan. Building on our existing expertise, this venture represents a natural extension of that capability, moving us further down the value chain to produce black pellets. Furthermore, this initiative will be supported by our certified tree plantations in Sarawak."

Mr. Sumikazu Hoda, Executive Officer in charge of raw material procurement at Kobe Steel, commented on the partnership with Samling Group as follows: "The LOI confirms our shared commitment to deepen cooperation in this field and explore future business development, including large-scale production of black pellets. This initiative goes beyond technological innovation—it contributes to revitalising local economies and advancing the global transition to a decarbonised society."

About Samling Group of Companies

Samling Group of Companies is a Malaysian conglomerate with diverse business interests, including sustainable forest resource management, oil palm plantations, and property development. With a strong commitment to environmental protection and sustainable practices, the Group has been a key player in the region for over 50 years.

About Kobe Steel Ltd.

Kobe Steel, Ltd. is a major Japanese steel manufacturer and a diversified conglomerate operating under the unified brand "Kobelco." Its businesses span materials, machinery, and electric power, with a growing focus on providing solutions for a carbon-neutral society. Kobe Steel is a leader in technological innovation and sustainability, with a strong presence in global markets.

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