

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2022 RM'000	CURRENT YEAR TO-DATE 30/04/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2022 RM'000
Revenue	326,686	509,740	326,686	509,740
Cost of sales	<u>(267,442)</u>	<u>(439,509)</u>	<u>(267,442)</u>	<u>(439,509)</u>
Gross profit	59,244	70,231	59,244	70,231
Other income	4,174	6,701	4,174	6,701
Operating expenses	(12,158)	(10,692)	(12,158)	(10,692)
Finance costs	<u>(619)</u>	<u>(569)</u>	<u>(619)</u>	<u>(569)</u>
Profit before tax	50,641	65,671	50,641	65,671
Tax	<u>(11,963)</u>	<u>(14,442)</u>	<u>(11,963)</u>	<u>(14,442)</u>
Profit for the period	<u>38,678</u>	<u>51,229</u>	<u>38,678</u>	<u>51,229</u>
Other comprehensive income:				
Net movement on cash flow hedge	-	80	-	80
Tax relating to other comprehensive income	-	(19)	-	(19)
Other comprehensive income for the period, net of tax	-	61	-	61
Total comprehensive income for the period	<u>38,678</u>	<u>51,290</u>	<u>38,678</u>	<u>51,290</u>
Profit for the period attributable to:				
Owners of the Company	31,512	39,228	31,512	39,228
Non-controlling interests	<u>7,166</u>	<u>12,001</u>	<u>7,166</u>	<u>12,001</u>
	<u>38,678</u>	<u>51,229</u>	<u>38,678</u>	<u>51,229</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	31,512	39,289	31,512	39,289
Non-controlling interests	<u>7,166</u>	<u>12,001</u>	<u>7,166</u>	<u>12,001</u>
	<u>38,678</u>	<u>51,290</u>	<u>38,678</u>	<u>51,290</u>
Earnings per share (sen):				
- Basic	3.26	4.06	3.26	4.06
- Diluted	3.25	4.05	3.25	4.05
Dividends per share (sen)	-	-	-	-

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2023)

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT QUARTER ENDED 30/04/2023 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	269,996	271,656
Bearer plants	132,258	134,202
Right-of-use assets	330,190	331,652
Deferred tax assets	6,563	6,212
Prepayments	4,552	3,856
	<u>743,559</u>	<u>747,578</u>
Current assets		
Inventories	62,527	58,197
Biological assets	6,071	5,565
Receivables	60,698	48,058
Prepayments	1,977	1,497
Tax recoverable	2,457	2,845
Short term funds	141,029	164,877
Cash and bank balances	219,005	234,992
	<u>493,764</u>	<u>516,031</u>
TOTAL ASSETS	<u><u>1,237,323</u></u>	<u><u>1,263,609</u></u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables and accruals	80,085	98,976
Interest bearing borrowings (secured)	12,949	12,951
Dividend payable	-	48,351
Derivatives	1,638	48
Tax payable	14,066	10,982
	<u>108,738</u>	<u>171,308</u>
Net current assets	<u>385,026</u>	<u>344,723</u>
Non-current liabilities		
Interest bearing borrowings (secured)	42,987	45,486
Deferred tax liabilities	92,963	93,115
	<u>135,950</u>	<u>138,601</u>
Total liabilities	<u>244,688</u>	<u>309,909</u>
Net assets	<u>992,635</u>	<u>953,700</u>
Equity attributable to owners of the Company		
Share capital	372,159	371,865
Reserves	495,623	464,148
Treasury shares	(1,626)	(1,626)
	<u>866,156</u>	<u>834,387</u>
Non-controlling interests	126,479	119,313
Total equity	<u>992,635</u>	<u>953,700</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,237,323</u></u>	<u><u>1,263,609</u></u>
Net assets per share (RM)	0.90	0.86

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2023)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Non-distributable		Distributable			
	Share capital	Hedging reserve	Retained profits	Treasury shares	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended						
<u>30 April 2023</u>						
Balance as at 1 February 2023	371,865	-	464,148	(1,626)	834,387	119,313
Profit or loss	-	-	31,512	-	31,512	7,166
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	31,512	-	31,512	7,166
Issuance of shares arising from exercise of Warrants	294	-	(37)	-	257	-
Total for transactions with owners	294	-	(37)	-	257	-
Balance as at 30 April 2023	<u>372,159</u>	<u>-</u>	<u>495,623</u>	<u>(1,626)</u>	<u>866,156</u>	<u>126,479</u>
3 months ended						
<u>30 April 2022</u>						
Balance as at 1 February 2022	369,305	(5,132)	447,256	(1,626)	809,803	109,622
Profit or loss	-	-	39,228	-	39,228	12,001
Other comprehensive income	-	61	-	-	61	-
Total comprehensive income for the year	-	61	39,228	-	39,289	12,001
Issuance of shares arising from exercise of Warrants	90	-	(11)	-	79	-
Total for transactions with owners	90	-	(11)	-	79	-
Balance as at 30 April 2022	<u>369,395</u>	<u>(5,071)</u>	<u>486,473</u>	<u>(1,626)</u>	<u>849,171</u>	<u>121,623</u>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2023)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30/04/2023 RM'000	3 months ended 30/04/2022 RM'000
Operating activities		
Cash receipts from customers	316,276	497,563
Rental received	48	87
Interest received	1,764	2,989
Cash paid to suppliers and employees	(290,459)	(430,735)
Cash generated from operations	27,629	69,904
Interest paid	(627)	(572)
Tax paid	(8,994)	(7,325)
Net cash from operating activities	18,008	62,007
Investing activities		
Placement of pledged deposits	(9)	(3)
Proceeds from disposal of property, plant and equipment	530	75
Acquisition of property, plant and equipment, bearer plants and right-of-use assets	(8,547)	(25,351)
Net withdrawal from/(investments in) short term funds	24,617	(190)
Net cash from/(used in) investing activities	16,591	(25,469)
Financing activities		
Proceeds from issuance of shares	257	79
Drawdown of bank borrowings	-	5,000
Repayments of bank borrowings	(2,499)	(4,499)
Dividends paid to shareholders of the Company	(48,351)	(38,617)
Net cash used in financing activities	(50,593)	(38,037)
Net decrease in cash and cash equivalents	(15,994)	(1,499)
Cash and cash equivalents at beginning of period	233,905	307,505
Cash and cash equivalents at end of period (Note a)	<u>217,911</u>	<u>306,006</u>
Note a : Cash and cash equivalents at end of period		
Cash on hand and cash in banks	106,069	165,418
Deposits with licensed banks	112,936	141,622
Cash and bank balances	219,005	307,040
Less: Bank overdrafts	(453)	(412)
Less: Fixed deposit pledged	(641)	(622)
Cash and cash equivalents	<u>217,911</u>	<u>306,006</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2023)

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EXPLANATORY NOTES

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 January 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2023.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 January 2023 except for the adoption of the following new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2023:

MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i> – Initial Application of MFRS 17 and MFRS 19 – Comparative Information	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	
- Classification of Liabilities as Current or Non-current	1 January 2023
- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 <i>Income Taxes</i>	
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
- International Tax Reform – Pillar Two Model Rules	1 January 2023

The adoption of these new and amended MFRSs did not have any material impact on the interim financial report of the Group.

The Group has not elected for early adoption of the following amended MFRSs, which were issued but not yet effective for the financial year ending 31 January 2024:

	Effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases</i> - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	
- Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group would adopt these amended MFRSs above, if applicable, when they become effective and does not expect any material impact on the financial statements in the year of initial adoption.

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A2. Seasonal or cyclical factors

Crop production is seasonal and could be affected by severe weather conditions such as El-Nino and La Nina.

Based on observation of records for the past few years, the production of Fresh Fruit Bunches (“FFB”) from our mature estates is normally low in the first and second quarters and is expected to record higher production in the second half of the financial year.

The Group’s FFB production for the current quarter was 72,800 MT which was 12% lower than the production recorded in the preceding quarter. As for the average FFB yield (MT/Ha) trend for the current year-to-date, it was broadly in line with the national yield trend.

A3. Unusual items

There were no unusual items that have material effects on the assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

A4. Material changes in estimates

There were no changes in estimates that have had a material effect in the current quarter.

A5. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the first quarter ended 30 April 2023 except for issuance of 183,882 new ordinary shares pursuant to exercise of 183,882 Warrants.

As at 30 April 2023, the Company held as treasury shares a total of 1,806,000 of its 969,006,203 issued ordinary shares.

The outstanding unexercised number of Warrants as at 30 April 2023 was 13,084,739.

A6. Dividends paid

The gross dividend paid during the current financial year-to-date was as follows:

- (i) A special single tier dividend of 5 sen per ordinary share in respect of the financial year 2023 was paid on 16 February 2023.

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A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	3 months ended		3 months ended	
	30/04/2023	30/04/2022	30/04/2023	30/04/2022
	RM'000	RM'000	RM'000	RM'000
Plantation operations	56,332	77,074	29,731	53,864
Milling operations	320,003	498,587	21,712	11,147
	376,335	575,661	51,443	65,011
Add/(Less):				
Inter-segment adjustments and eliminations	(49,649)	(65,921)	(1,582)	367
	<u>326,686</u>	<u>509,740</u>	49,861	65,378
Add/(Less):				
Unallocated expenses			(343)	(361)
Finance income			1,742	1,223
Finance costs			(619)	(569)
Profit before tax			50,641	65,671
Tax expenses			(11,963)	(14,442)
Profit for the period			<u>38,678</u>	<u>51,229</u>

A8. Material subsequent events

As at 23 June 2023, there were no material subsequent events that have not been reflected in the financial statements for the current financial period.

A9. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year-to-date, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

A10. Contingent liabilities or Contingent assets

There have been no material changes in contingent liabilities or contingent assets at Group level since the end of last annual reporting period at 31 January 2023.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of the performance of the Company and its principal subsidiaries

The Group recorded a revenue and profit before tax (“PBT”) at RM326.69 million and RM50.64 million respectively for the current quarter ended 30 April 2023, which were 36% and 23% lower as compared to RM509.74 million and RM65.67 million respectively for the corresponding period last year. The drop in performance for the current financial year-to-date was mainly due to a sharp decline in average selling prices of FFB and palm oil by 39% and 36% respectively. However, the FFB and CPO production for the current year-to-date were higher by 19% and 4% respectively as compared to the corresponding period last year. Further information and statistics are tabulated below:

	Individual Period (1 st quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	30/04/2023	30/04/2022		30/04/2023	30/04/2022	
(A) Financial Data:	RM'000	RM'000		RM'000	RM'000	
Revenue	326,686	509,740	(36%)	326,686	509,740	(36%)
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	62,348	75,784	(18%)	62,348	75,784	(18%)
Profit before interest and tax	51,260	66,240	(23%)	51,260	66,240	(23%)
Profit before tax	50,641	65,671	(23%)	50,641	65,671	(23%)
Profit after tax	38,678	51,229	(24%)	38,678	51,229	(24%)
Profit attributable to ordinary equity holders of the Company	31,512	39,228	(20%)	31,512	39,228	(20%)
(B) Statistics:						
Plantation						
FFB production (MT)	72,831	61,075	19%	72,831	61,075	19%
FFB yield per hectare (MT/Ha)	4.80	4.64	3%	4.80	4.64	3%
Average FFB selling price (RM/MT)	773	1,262	(39%)	773	1,262	(39%)
Palm Oil Milling						
CPO production (MT)	67,200	64,861	4%	67,200	64,861	4%
CPO sold (MT)	68,235	66,510	3%	68,235	66,510	3%
CPO extraction rate (%)	20.57	20.69	(1%)	20.57	20.69	(1%)
Average CPO selling price (RM/MT)	4,050	6,309	(36%)	4,050	6,309	(36%)

Note: CPO represents crude palm oil and is inclusive of palm oil production qualified under the International Sustainability and Carbon Certification (“ISCC”).

As at 30 April 2023, the Group’s total planted area (excluding land for infrastructure, unplanted land and area under development) is 15,940 hectares. The age profile of planted area can be analysed as follows:

- < 3 years (Immature): 5%
- 3 – 6 years (Young mature): 19%
- 7 – 15 years (Prime mature): 26%
- 16 – 20 years (Old mature): 19%
- > 20 years (Pre-replanting): 31%

There was no replanting carried out during the current year to-date.

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Performance analysis by segments (before inter-segments adjustments and eliminations):

	Individual Period (1 st quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	30/04/2023	30/04/2022		30/04/2023	30/04/2022	
Revenue:	RM'000	RM'000		RM'000	RM'000	
Plantation	56,332	77,074	(27%)	56,332	77,074	(27%)
Milling	320,003	498,587	(36%)	320,003	498,587	(36%)
	376,335	575,661	(35%)	376,335	575,661	(35%)
Results:						
Plantation	29,731	53,864	(45%)	29,731	53,864	(45%)
Milling	21,712	11,147	95%	21,712	11,147	95%
	51,443	65,011	(21%)	51,443	65,011	(21%)

Plantation operations

The Group recorded a lower revenue and profit for the current quarter and year-to-date as compared to the corresponding period last year mainly due to a 39% lower average FFB selling price, despite a 19% higher FFB production recorded.

Lower increase in FFB yield per hectare was mainly due to the additional 900 hectares replanted area came into maturity in the current quarter.

The plantation operations did not face problem in selling its FFB production as most of the produce was supplied to mills within the Group.

Palm oil milling operations

The revenue from the milling operations for the current quarter and year-to-date was 36% lower as compared to the corresponding period last year mainly caused by lower average CPO selling price.

However, the profit from the milling operations jumped by 95% to RM21.71 million. The good performance was mainly due to better processing margin and strategic FFB pricing.

The market condition and demand for the Group's milling products has been good and stable for the current quarter and year-to-date.

The revenue generated from supplying power to grids from our biogas plants for the current quarter was RM1.33 million which was slightly higher than RM1.23 million in the previous year corresponding period.

B2. Comparison of profit before tax for the quarter reported on with the immediate preceding quarter

The PBT for the current quarter was RM50.64 million which was marginally lower as compared to RM53.55 million achieved in the preceding quarter ended 31 January 2023.

Although the FFB production dropped by 12%, the profit from plantation operations only declined by 2% or RM0.62 million to RM29.73 million as compared to RM30.35 million in the preceding quarter, mainly due to less expenditure incurred, such as fertilizer cost, in the current quarter.

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For the milling operations, with a significantly lower FFB throughput and CPO production recorded in the current quarter, the profit from milling operations was RM21.71 million, representing a drop of 26% or RM7.55 million as compared to RM29.26 million recorded for the preceding quarter.

Total FFB processed has dropped by 24% to 327,000 MT as compared to 429,000 MT in the preceding quarter.

Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30/04/2023	31/01/2023	
(A) Financial Data:			
Revenue	RM'000	RM'000	
	326,686	431,816	(24%)
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	62,348	64,640	(4%)
Profit before interest and tax	51,260	54,198	(5%)
Profit before tax	50,641	53,548	(5%)
Profit after tax	38,678	44,472	(13%)
Profit attributable to ordinary equity holders of the Company	31,512	36,617	(14%)
(B) Statistics:			
Plantation			
FFB production (MT)	72,831	83,119	(12%)
FFB yield per hectare (MT/Ha)	4.80	5.83	(18%)
Average FFB selling price (RM/MT)	773	753	3%
Palm Oil Milling			
CPO production (MT)	67,200	90,139	(25%)
CPO sold (MT)	68,235	92,443	(26%)
CPO extraction rate (%)	20.57	21.00	(2%)
Average CPO selling price (RM/MT)	4,050	3,970	2%

B3. Current financial year prospects

The Management forecasts the FFB production for the current financial year ending 31 January 2024 to be 15% higher than the quantity achieved in the financial year 2023 on account of more replanted area coming into maturity and better age profile of young palms productive area.

As for palm oil milling operations, the Management expects to achieve a total processing throughput of 1.5 million MT of FFB for the current financial year. The Management also expects our biogas plant at Keningau, which has commenced supply of power to grid in December 2022, to contribute positively to revenue as well as profit in the financial year 2024. On the other hand, our biogas plant at Telupid is expected to commence operations in the second half of the financial year 2024.

In terms of CPO price prospects, although the movement of CPO price has been volatile and unpredictable, the Management is hopeful for the average CPO price for the financial year 2024 to stay above RM4,000 per MT.

The plantation industry outlook remains challenging given the commodity price volatilities, labour shortages, inflationary pressures on cost, persisting weather extremities and biofuel policy changes.

Based on the above, we expect the Group to perform satisfactorily for the financial year 2024.

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B4. Variance of actual profit from forecast profit and shortfall in profit guarantee

This is not applicable.

B5. Income tax

	Current Quarter Ended 30/04/2023 RM'000	Financial Year-to-date Ended 30/04/2023 RM'000
Malaysian Income Tax		
- Current year	12,466	12,466
Deferred tax		
- Current year	(503)	(503)
	<u>11,963</u>	<u>11,963</u>

B6. Status of corporate proposals

There is no outstanding corporate proposal as at 23 June 2023.

B7. Group borrowings and debt securities

The total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 30/04/2023 RM'000	As at 30/04/2022 RM'000
Short term borrowings:		
Overdrafts	453	412
Revolving credit	2,500	3,500
Term loans	9,996	9,996
	<u>12,949</u>	<u>13,908</u>
Long term borrowings:		
Term loans	<u>42,987</u>	<u>52,983</u>

(a) There were no unsecured interest bearing borrowing as at 30 April 2023.

(b) The movements terms loans were due to repayments.

(c) Weighted average interest rate of borrowings as at 30 April 2023 was 4.43% per annum. There is no borrowing that is based on fixed interest rate.

B8. Material litigation

As at 23 June 2023, there were no material litigations against the Group.

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B9. Dividend

No dividend has been declared or proposed for the current financial period ended 30 April 2023 and previous year corresponding period ended 30 April 2022.

B10. Earnings per share

Basic earnings per share (“Basic EPS”)

The Basic EPS is calculated by dividing the profit attributable to the owners of the Company for the current quarter and the first 3 months by the weighted average number of ordinary shares in issue during the current quarter and the first 3 months respectively, excluding treasury shares held by the Company:

		Current Quarter Ended 30/04/2023	Financial Year-to-date Ended 30/04/2023
Net profit for the period	(RM'000)	31,512	31,512
Weighted average number of ordinary shares in issue	('000)	967,111	967,111
Basic EPS	(sen)	3.26	3.26

Diluted earnings per share (“Diluted EPS”)

The Diluted EPS is calculated by dividing the profit attributable to the owners of the Company for the current quarter and the first 3 months by the weighted average number of ordinary shares in issue during the current quarter and the first 3 months respectively, which has been adjusted for the number of ordinary shares that could have been converted from the warrants issued by the Company.

Shares that are anti-dilutive are ignored in the computation of Diluted EPS.

		Current Quarter Ended 30/04/2023	Financial Year-to-date Ended 30/04/2023
Net profit for the period	(RM'000)	31,512	31,512
Weighted average number of ordinary shares in issue	('000)	967,111	967,111
Adjustment for dilutive effect of warrants	('000)	1,523	1,523
Adjusted weighted average number of shares for Diluted EPS	('000)	968,634	968,634
Diluted EPS	(sen)	3.25	3.25

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B11. Audit qualification

The auditors' report of the preceding annual financial statements of the Group did not contain any qualification.

B12. Profit before tax

Profit before tax is arrived at after charging/(crediting) the following items:

	Current Quarter Ended 30/04/2023 RM'000	Financial Year-to-date Ended 30/04/2023 RM'000
(a) Interest income	(1,742)	(1,742)
(b) Other income including investment income	(1,435)	(1,435)
(c) Interest expense	619	619
(d) Depreciation and amortization	11,088	11,088
(e) Provision for and write off of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) (Gain) or loss on disposal of investment properties	-	-
(h) Provision for/(Reversal of) impairment of assets	-	-
(i) Foreign exchange (gain)/loss	-	-
(j) (Gain) or loss on derivatives	1,147	1,147
(k) Net loss/(gain) arising from changes in fair value of biological assets	(506)	(506)
(l) Exceptional items	-	-

B13. Derivatives

The Group has entered into the following derivative instruments which are outstanding as at 30 April 2023:

Type of Derivatives	Contractual/ Notional Value as at 30/04/2023 RM'000	Fair Value Liabilities as at 30/04/2023 RM'000
CPO Futures contracts		
- Less than 1 year	16,508	1,638
	<u>16,508</u>	<u>1,638</u>

The outstanding positions for CPO Futures contracts were entered for the purpose of hedging the purchase of FFB and/or CPO for committed sales under the milling operations.

There is no change in risks, cash requirements and policies associated with the derivatives since the preceding financial year.

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B14. Gains/losses arising from fair value changes of financial liabilities

	Current Quarter Ended 30/04/2023 RM'000	Financial Year-to-date Ended 30/04/2023 RM'000
<u>Fair value (gains)/losses arising from:</u>		
- CPO Futures contracts	1,147	1,147
	<u>1,147</u>	<u>1,147</u>
Amount recognised as:		
- other income in profit or loss	(491)	(491)
- other expenses in profit or loss	1,638	1,638
	<u>1,147</u>	<u>1,147</u>

- (a) The fair value gains/losses were arising from the transactions under the CPO Futures contracts.
- (b) The fair value gains/losses were caused by favourable/unfavourable movements in CPO price in commodity derivatives market.
- (c) The fair values changes are derived based on:
- the difference of contract value upon closure or settlement of contracts; and
 - the difference in value of outstanding contracts by reference to mark-to-market value and/or closing price quoted at the end of reporting period.

B15. Additional Information

- (a) Receivables

Total receivables as at 30 April 2023 is RM60.70 million of which RM54.88 million is trade in nature with normal trade credit terms of less than 60 days.