

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2022 RM'000	CURRENT YEAR TO-DATE 31/07/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2022 RM'000
Revenue	385,607	564,375	712,293	1,074,115
Cost of sales	<u>(313,329)</u>	<u>(473,598)</u>	<u>(580,771)</u>	<u>(913,107)</u>
Gross profit	72,278	90,777	131,522	161,008
Other income	5,362	754	9,536	7,455
Operating expenses	(10,441)	(11,849)	(22,599)	(22,541)
Finance costs	<u>(637)</u>	<u>(571)</u>	<u>(1,256)</u>	<u>(1,140)</u>
Profit before tax	66,562	79,111	117,203	144,782
Tax	<u>(15,594)</u>	<u>(17,727)</u>	<u>(27,557)</u>	<u>(32,169)</u>
Profit for the period	<u>50,968</u>	<u>61,384</u>	<u>89,646</u>	<u>112,613</u>
Other comprehensive income:				
Net movement on cash flow hedge	-	6,300	-	6,380
Tax relating to other comprehensive income	-	(1,512)	-	(1,531)
Other comprehensive income for the period, net of tax	-	4,788	-	4,849
Total comprehensive income for the period	<u>50,968</u>	<u>66,172</u>	<u>89,646</u>	<u>117,462</u>
Profit for the period attributable to:				
Owners of the Company	43,354	49,670	74,866	88,898
Non-controlling interests	<u>7,614</u>	<u>11,714</u>	<u>14,780</u>	<u>23,715</u>
	<u>50,968</u>	<u>61,384</u>	<u>89,646</u>	<u>112,613</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	43,354	54,458	74,866	93,747
Non-controlling interests	<u>7,614</u>	<u>11,714</u>	<u>14,780</u>	<u>23,715</u>
	<u>50,968</u>	<u>66,172</u>	<u>89,646</u>	<u>117,462</u>
Earnings per share (sen):				
- Basic	4.48	5.14	7.74	9.20
- Diluted	4.47	5.13	7.73	9.18
Dividends per share (sen)	5.00	5.00	5.00	5.00

(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 31/07/2023 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	268,417	271,656
Bearer plants	131,475	134,202
Right-of-use assets	328,729	331,652
Deferred tax assets	6,191	6,212
Prepayments	4,752	3,856
	<u>739,564</u>	<u>747,578</u>
Current assets		
Inventories	47,296	58,197
Biological assets	5,263	5,565
Receivables	48,456	48,058
Prepayments	1,864	1,497
Tax recoverable	972	2,845
Derivatives	909	-
Short term funds	231,471	164,877
Cash and bank balances	209,285	234,992
	<u>545,516</u>	<u>516,031</u>
TOTAL ASSETS	<u><u>1,285,080</u></u>	<u><u>1,263,609</u></u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables and accruals	85,143	98,976
Interest bearing borrowings (secured)	12,928	12,951
Dividend payable	48,464	48,351
Derivatives	-	48
Tax payable	23,748	10,982
	<u>170,283</u>	<u>171,308</u>
Net current assets	<u>375,233</u>	<u>344,723</u>
Non-current liabilities		
Interest bearing borrowings (secured)	40,488	45,486
Deferred tax liabilities	94,108	93,115
	<u>134,596</u>	<u>138,601</u>
Total liabilities	<u>304,879</u>	<u>309,909</u>
Net assets	<u>980,201</u>	<u>953,700</u>
Equity attributable to owners of the Company		
Share capital	375,485	371,865
Reserves	490,099	464,148
Treasury shares	(1,626)	(1,626)
	<u>863,958</u>	<u>834,387</u>
Non-controlling interests	116,243	119,313
Total equity	<u>980,201</u>	<u>953,700</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,285,080</u></u>	<u><u>1,263,609</u></u>
Net assets per share (RM)	0.89	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)

KIM LOONG RESOURCES BERHAD

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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	
6 months ended							
<u>31 July 2023</u>							
Balance as at 1 February 2023	371,865	-	464,148	(1,626)	834,387	119,313	953,700
Profit or loss	-	-	74,866	-	74,866	14,780	89,646
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	74,866	-	74,866	14,780	89,646
Dividends	-	-	(48,464)	-	(48,464)	(17,850)	(66,314)
Issuance of shares arising from exercise of Warrants	3,620	-	(451)	-	3,169	-	3,169
Total for transactions with owners	3,620	-	(48,915)	-	(45,295)	(17,850)	(63,145)
Balance as at 31 July 2023	375,485	-	490,099	(1,626)	863,958	116,243	980,201

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total equity	
	Share capital	Hedging reserve	Retained profits	Treasury shares			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
6 months ended							
<u>31 July 2022</u>							
Balance as at 1 February 2022	369,304	(5,131)	447,256	(1,626)	809,803	109,622	919,425
Profit or loss	-	-	88,898	-	88,898	23,715	112,613
Other comprehensive income	-	4,849	-	-	4,849	-	4,849
Total comprehensive income for the period	-	4,849	88,898	-	93,747	23,715	117,462
Dividends	-	-	(48,348)	-	(48,348)	(8,048)	(56,396)
Issuance of shares arising from exercise of Warrants	2,451	-	(305)	-	2,146	-	2,146
Total for transactions with owners	2,451	-	(48,653)	-	(46,202)	(8,048)	(54,250)
Balance as at 31 July 2022	<u>371,755</u>	<u>(282)</u>	<u>487,501</u>	<u>(1,626)</u>	<u>857,348</u>	<u>125,289</u>	<u>982,637</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)

KIM LOONG RESOURCES BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 31/07/2023 RM'000	6 months ended 31/07/2022 RM'000
Operating activities		
Cash receipts from customers	714,927	1,106,619
Rental received	101	194
Interest received	3,923	4,500
Cash paid to suppliers and employees	(584,259)	(940,050)
Cash generated from operations	134,692	171,263
Interest paid	(1,258)	(1,136)
Tax paid	(11,909)	(9,957)
Net cash from operating activities	121,525	160,170
Investing activities		
Placement of pledged deposits	(9)	(6)
Proceeds from disposal of property, plant and equipment	1,082	225
Acquisition of property, plant and equipment, bearer plants and right-of-use assets	(15,494)	(43,059)
Net investments in short term funds	(63,998)	(375)
Net cash used in investing activities	(78,419)	(43,215)
Financing activities		
Proceeds from issuance of shares	3,169	2,146
Drawdown of bank borrowings	-	5,000
Repayments of bank borrowings	(4,998)	(9,998)
Dividends paid to shareholders of the Company	(48,351)	(38,617)
Dividends paid to non-controlling interests in subsidiary companies	(18,618)	(8,048)
Net cash used in financing activities	(68,798)	(49,517)
Net (decrease)/increase in cash and cash equivalents	(25,692)	67,438
Cash and cash equivalents at beginning of period	233,905	307,505
Cash and cash equivalents at end of period (Note a)	208,213	374,943
Note a : Cash and cash equivalents at end of period		
Cash on hand and cash in banks	111,344	187,816
Deposits with licensed banks	97,941	188,124
Cash and bank balances	209,285	375,940
Less: Bank overdrafts	(431)	(373)
Less: Fixed deposit pledged	(641)	(624)
Cash and cash equivalents	208,213	374,943

(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 <i>Insurance Contracts</i>	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 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> - Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i> - Lack of Exchangeability	1 January 2025
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 has improved and recorded 83,000 MT which was 14% higher 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 half year ended 31 July 2023 except for issuance of 2,263,519 new ordinary shares pursuant to exercise of 2,263,519 Warrants.

As at 31 July 2023, the Company held as treasury shares a total of 1,806,000 of its 971,085,840 issued ordinary shares.

The outstanding unexercised number of Warrants as at 31 July 2023 was 11,005,102.

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	
	6 months ended		6 months ended	
	31/07/2023	31/07/2022	31/07/2023	31/07/2022
	RM'000	RM'000	RM'000	RM'000
Plantation operations	113,984	142,577	59,487	86,160
Milling operations	697,030	1,051,081	56,152	55,873
	811,014	1,193,658	115,639	142,033
Add/(Less):				
Inter-segment adjustments and eliminations	(98,721)	(119,543)	(115)	1,469
	712,293	1,074,115	115,524	143,502
Add/(Less):				
Unallocated expenses			(952)	(361)
Finance income			3,887	2,781
Finance costs			(1,256)	(1,140)
Profit before tax			117,203	144,782
Tax expenses			(27,557)	(32,169)
Profit for the period			89,646	112,613

A8. Material subsequent events

As at 22 September 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 RM712.29 million and RM117.20 million respectively for the current half year ended 31 July 2023, which were 34% and 19% lower as compared to RM1.07 billion and RM144.78 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 36% and 35% respectively. However, the FFB production for the current year-to-date was higher by 25% as compared to the corresponding period last year whilst the CPO production was marginally lower. Further information and statistics are tabulated below:

	Individual Period (2 nd quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/07/2023	31/07/2022		31/07/2023	31/07/2022	
(A) Financial Data:	RM'000	RM'000		RM'000	RM'000	
Revenue	385,607	564,375	(32%)	712,293	1,074,115	(34%)
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	78,338	89,396	(12%)	140,686	165,180	(15%)
Profit before interest and tax	67,199	79,682	(16%)	118,459	145,922	(19%)
Profit before tax	66,562	79,111	(16%)	117,203	144,782	(19%)
Profit after tax	50,968	61,384	(17%)	89,646	112,613	(20%)
Profit attributable to ordinary equity holders of the Company	43,354	49,670	(13%)	74,866	88,898	(16%)
(B) Statistics:						
Plantation						
FFB production (MT)	83,007	63,330	31%	155,838	124,405	25%
FFB yield per hectare (MT/Ha)	5.48	4.80	14%	10.28	9.44	9%
Average FFB selling price (RM/MT)	695	1,034	(33%)	731	1,146	(36%)
Palm Oil Milling						
CPO production (MT)	81,307	84,114	(3%)	148,507	148,975	(0%)
CPO sold (MT)	85,207	82,369	3%	153,442	148,879	3%
CPO extraction rate (%)	20.56	20.83	(1%)	20.56	20.77	(1%)
Average CPO selling price (RM/MT)	3,799	5,812	(35%)	3,911	6,034	(35%)

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

As at 31 July 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%

The Group has carried out replanting of 49 hectares during the current year to-date.

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

	Individual Period (2 nd quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/07/2023	31/07/2022		31/07/2023	31/07/2022	
Revenue:	RM'000	RM'000		RM'000	RM'000	
Plantation	57,652	65,503	(12%)	113,984	142,577	(20%)
Milling	377,027	552,494	(32%)	697,030	1,051,081	(34%)
	434,679	617,997	(30%)	811,014	1,193,658	(32%)
Results:						
Plantation	29,756	32,296	(8%)	59,487	86,160	(31%)
Milling	34,440	44,726	(23%)	56,152	55,873	0%
	64,196	77,022	(17%)	115,639	142,033	(19%)

Plantation operations

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

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

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 32% and 34% lower as compared to the corresponding periods last year mainly caused by lower average CPO selling price.

However, the profit from the milling operations for the current quarter was 23% lower as compared to the corresponding quarter last year whilst the profit achieved for the current year-to-date was marginally better as compared to the corresponding period last year. The lower profit in the current quarter was mainly due to a lower processing margin.

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 year-to-date was RM3.00 million which was 21% higher than RM2.48 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 RM66.56 million which was 31% higher as compared to RM50.64 million achieved in the preceding quarter ended 30 April 2023.

Despite a 10% drop in the average FFB selling price, the profit from plantation operations maintained at RM29.76 million which was similar to the RM29.73 million recorded in the preceding quarter, mainly due to a 14% higher FFB production achieved in the current quarter.

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For the milling operations, with higher FFB throughput and CPO production recorded in the current quarter, the profit from milling operations was RM34.44 million, representing a jump of 59% or RM12.73 million as compared to RM21.71 million recorded for the preceding quarter.

Total FFB processed has increased by 21% to 395,000 MT as compared to 327,000 MT in the preceding quarter.

Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/07/2023	30/04/2023	
(A) Financial Data:			
Revenue	RM'000	RM'000	
	385,607	326,686	18%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	78,338	62,348	26%
Profit before interest and tax	67,199	51,260	31%
Profit before tax	66,562	50,641	31%
Profit after tax	50,968	38,678	32%
Profit attributable to ordinary equity holders of the Company	43,354	31,512	38%
(B) Statistics:			
Plantation			
FFB production (MT)	83,007	72,831	14%
FFB yield per hectare (MT/Ha)	5.48	4.80	14%
Average FFB selling price (RM/MT)	695	773	(10%)
Palm Oil Milling			
CPO production (MT)	81,307	67,200	21%
CPO sold (MT)	85,207	68,235	25%
CPO extraction rate (%)	20.56	20.57	(0%)
Average CPO selling price (RM/MT)	3,799	4,050	(6%)

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 since 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 by end 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 31/07/2023 RM'000	Financial Year-to-date Ended 31/07/2023 RM'000
Malaysian Income Tax		
- Current year	14,082	26,548
Real property gains tax		
- Over provision in prior year	(5)	(5)
Deferred tax		
- Current year	1,517	1,014
	<u>15,594</u>	<u>27,557</u>

B6. Status of corporate proposals

There is no outstanding corporate proposal as at 22 September 2023.

B7. Group borrowings and debt securities

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

	As at 31/07/2023 RM'000	As at 31/07/2022 RM'000
Short term borrowings:		
Overdrafts	432	373
Revolving credit	2,500	500
Term loans	9,996	9,996
	<u>12,928</u>	<u>10,869</u>
Long term borrowings:		
Term loans	<u>40,488</u>	<u>50,484</u>

(a) There were no unsecured interest bearing borrowing as at 31 July 2023.

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

(c) Weighted average interest rate of borrowings as at 31 July 2023 was 4.72% per annum. There is no borrowing that is based on fixed interest rate.

B8. Material litigation

As at 22 September 2023, there were no material litigations against the Group.

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B9. Dividend

The Board is pleased to declare an interim single tier dividend of 5 sen per share in respect of the financial year ending 31 January 2024.

- (a) (i) amount per share: 5 sen single tier;
 - (ii) previous corresponding period: 5 sen single tier per share;
 - (iii) date of payment: 15 November 2023; and
 - (iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of the depositors as at 26 October 2023; and
- (b) total dividend for the current financial year: 5 sen single tier per share.

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 half year by the weighted average number of ordinary shares in issue during the current quarter and the first half year respectively, excluding treasury shares held by the Company:

		Current Quarter Ended 31/07/2023	Financial Year-to-date Ended 31/07/2023
Net profit for the period	(RM'000)	43,354	74,866
Weighted average number of ordinary shares in issue	('000)	967,964	967,545
Basic EPS	(sen)	4.48	7.74

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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 half year by the weighted average number of ordinary shares in issue during the current quarter and the first half year 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 31/07/2023	Financial Year-to-date Ended 31/07/2023
Net profit for the period	(RM'000)	43,354	74,866
Weighted average number of ordinary shares in issue	('000)	967,964	967,545
Adjustment for dilutive effect of warrants	('000)	1,227	1,227
Adjusted weighted average number of shares for Diluted EPS	('000)	969,191	968,772
Diluted EPS	(sen)	4.47	7.73

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 31/07/2023 RM'000	Financial Year-to-date Ended 31/07/2023 RM'000
(a) Interest income	(2,145)	(3,887)
(b) Other income including investment income	(2,275)	(3,710)
(c) Interest expense	637	1,256
(d) Depreciation and amortization	11,139	22,227
(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	(3,091)	(1,944)
(k) Net loss/(gain) arising from changes in fair value of biological assets	808	302
(l) Exceptional items	-	-

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B13. Derivatives

The Group has entered into the following derivative instruments which are outstanding as at 31 July 2023:

Type of Derivatives	Contractual/ Notional Value as at 31/07/2023 RM'000	Fair Value Assets as at 31/07/2023 RM'000
CPO Futures contracts		
- Less than 1 year	10,763	909

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.

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

	Current Quarter Ended 31/07/2023 RM'000	Financial Year-to-date Ended 31/07/2023 RM'000
<u>Fair value gains of financial liabilities arising from:</u>		
- CPO Futures contracts	(1,638)	(48)

- (a) The fair value gains was arising from the transactions under the CPO Futures contracts.
- (b) The fair value gains was caused by favourable 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 31 July 2023 is RM48.46 million of which RM43.02 million is trade in nature with normal trade credit terms of less than 60 days.