

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/10/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2022 RM'000	CURRENT YEAR TO-DATE 31/10/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2022 RM'000
Revenue	448,679	402,412	1,160,972	1,476,527
Cost of sales	<u>(366,172)</u>	<u>(338,989)</u>	<u>(946,943)</u>	<u>(1,252,096)</u>
Gross profit	82,507	63,423	214,029	224,431
Other income	3,345	3,036	12,881	10,491
Operating expenses	(12,008)	(11,734)	(34,607)	(34,275)
Finance costs	<u>(616)</u>	<u>(612)</u>	<u>(1,872)</u>	<u>(1,752)</u>
Profit before tax	73,228	54,113	190,431	198,895
Tax	<u>(16,156)</u>	<u>(11,514)</u>	<u>(43,713)</u>	<u>(43,683)</u>
Profit for the period	<u>57,072</u>	<u>42,599</u>	<u>146,718</u>	<u>155,212</u>
Other comprehensive income:				
Net movement on cash flow hedge	-	371	-	6,751
Tax relating to other comprehensive income	-	(89)	-	(1,620)
Other comprehensive income for the period, net of tax	-	282	-	5,131
Total comprehensive income for the period	<u>57,072</u>	<u>42,881</u>	<u>146,718</u>	<u>160,343</u>
Profit for the period attributable to:				
Owners of the Company	47,974	36,742	122,840	125,640
Non-controlling interests	<u>9,098</u>	<u>5,857</u>	<u>23,878</u>	<u>29,572</u>
	<u>57,072</u>	<u>42,599</u>	<u>146,718</u>	<u>155,212</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	47,974	37,024	122,840	130,771
Non-controlling interests	<u>9,098</u>	<u>5,857</u>	<u>23,878</u>	<u>29,572</u>
	<u>57,072</u>	<u>42,881</u>	<u>146,718</u>	<u>160,343</u>
Earnings per share (sen):				
- Basic	4.95	3.80	12.69	13.00
- Diluted	4.94	3.79	12.67	12.97
Dividends per share (sen)	3.00	5.00	8.00	10.00

(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 31/10/2023 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	270,995	271,656
Bearer plants	132,398	134,202
Right-of-use assets	327,266	331,652
Deferred tax assets	5,556	6,212
Prepayments	6,822	3,856
	<u>743,037</u>	<u>747,578</u>
Current assets		
Inventories	42,981	58,197
Biological assets	6,016	5,565
Receivables	62,122	48,058
Prepayments	2,474	1,497
Tax recoverable	446	2,845
Short term funds	233,006	164,877
Cash and bank balances	208,684	234,992
	<u>555,729</u>	<u>516,031</u>
TOTAL ASSETS	<u><u>1,298,766</u></u>	<u><u>1,263,609</u></u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables and accruals	97,215	98,976
Interest bearing borrowings (secured)	12,877	12,951
Dividend payable	48,509	48,351
Derivatives	340	48
Tax payable	26,631	10,982
	<u>185,572</u>	<u>171,308</u>
Net current assets	<u>370,157</u>	<u>344,723</u>
Non-current liabilities		
Interest bearing borrowings (secured)	37,989	45,486
Deferred tax liabilities	93,216	93,115
	<u>131,205</u>	<u>138,601</u>
Total liabilities	<u>316,777</u>	<u>309,909</u>
Net assets	<u>981,989</u>	<u>953,700</u>
Equity attributable to owners of the Company		
Share capital	377,017	371,865
Reserves	489,369	464,148
Treasury shares	(1,626)	(1,626)
	<u>864,760</u>	<u>834,387</u>
Non-controlling interests	117,229	119,313
Total equity	<u>981,989</u>	<u>953,700</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,298,766</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

(Registration No. 197501000991 (22703-K))

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	RM'000	
9 months ended							
<u>31 October 2023</u>							
Balance as at 1 February 2023	371,865	-	464,148	(1,626)	834,387	119,313	953,700
Profit or loss	-	-	122,840	-	122,840	23,878	146,718
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	122,840	-	122,840	23,878	146,718
Dividends	-	-	(96,977)	-	(96,977)	(26,112)	(123,089)
Issuance of shares arising from exercise of Warrants	5,152	-	(642)	-	4,510	-	4,510
Issuance of shares to non-controlling interests of a subsidiary company	-	-	-	-	-	150	150
Total for transactions with owners	5,152	-	(97,619)	-	(92,467)	(25,962)	(118,429)
Balance as at 31 October 2023	377,017	-	489,369	(1,626)	864,760	117,229	981,989

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

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	
9 months ended							
<u>31 October 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	-	-	125,640	-	125,640	29,572	155,212
Other comprehensive income	-	5,131	-	-	5,131	-	5,131
Total comprehensive income for the period	-	5,131	125,640	-	130,771	29,572	160,343
Dividends	-	-	(96,695)	-	(96,695)	(19,788)	(116,483)
Issuance of shares arising from exercise of Warrants	2,462	-	(307)	-	2,155	-	2,155
Total for transactions with owners	2,462	-	(97,002)	-	(94,540)	(19,788)	(114,328)
Balance as at 31 October 2022	<u>371,766</u>	<u>-</u>	<u>475,894</u>	<u>(1,626)</u>	<u>846,034</u>	<u>119,406</u>	<u>965,440</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

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 31/10/2023 RM'000	9 months ended 31/10/2022 RM'000
Operating activities		
Cash receipts from customers	1,151,043	1,496,642
Rental received	154	264
Interest received	6,109	6,502
Cash paid to suppliers and employees	(939,815)	(1,309,596)
Cash generated from operations	217,491	193,812
Interest paid	(1,878)	(1,745)
Tax paid	(24,913)	(27,183)
Net cash from operating activities	190,700	164,884
Investing activities		
Placement of pledged deposits	(14)	(9)
Proceeds from disposal of property, plant and equipment	1,350	7,013
Acquisition of property, plant and equipment, bearer plants and right-of-use assets	(27,854)	(52,655)
Net investments in short term funds	(64,691)	(632)
Real property gains tax refunded/(paid)	5	(75)
Net cash used in investing activities	(91,204)	(46,358)
Financing activities		
Proceeds from issuance of shares	4,510	2,155
Proceeds from issuance of shares to non-controlling interests (NCI) in subsidiary companies	150	-
Drawdown of bank borrowings	-	7,000
Repayments of bank borrowings	(7,497)	(12,497)
Dividends paid to shareholders of the Company	(96,819)	(86,964)
Dividends paid to non-controlling interests in subsidiary companies	(26,088)	(19,788)
Net cash used in financing activities	(125,744)	(110,094)
Net (decrease)/increase in cash and cash equivalents	(26,248)	8,432
Cash and cash equivalents at beginning of period	233,905	307,505
Cash and cash equivalents at end of period (Note a)	207,657	315,937
Note a : Cash and cash equivalents at end of period		
Cash on hand and cash in banks	121,138	119,000
Deposits with licensed banks	87,546	198,028
Cash and bank balances	208,684	317,028
Less: Bank overdrafts	(381)	(463)
Less: Fixed deposit pledged	(646)	(628)
Cash and cash equivalents	207,657	315,937

(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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(Registration No. 197501000991 (22703-K))

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 87,700 MT, representing a 6% increase as compared to 83,000 MT 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 9 months ended 31 October 2023 except for issuance of 3,221,739 new ordinary shares pursuant to exercise of 3,221,739 Warrants.

As at 31 October 2023, the Company held as treasury shares a total of 1,806,000 of its 972,044,060 issued ordinary shares.

The outstanding unexercised number of Warrants as at 31 October 2023 was 10,046,882.

A6. Dividends paid

The gross dividends paid during the current financial year-to-date were 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; and
- (ii) A final single tier dividend of 5 sen per ordinary share in respect of the financial year 2023 was paid on 29 August 2023.

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A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	9 months ended		9 months ended	
	31/10/2023	31/10/2022	31/10/2023	31/10/2022
	RM'000	RM'000	RM'000	RM'000
Plantation operations	174,823	201,378	92,390	116,247
Milling operations	1,136,210	1,442,936	92,500	81,570
	1,311,033	1,644,314	184,890	197,817
Add/(Less):				
Inter-segment adjustments and eliminations	(150,061)	(167,787)	2,367	(1,613)
	<u>1,160,972</u>	<u>1,476,527</u>	187,257	196,204
Add/(Less):				
Unallocated expenses			(1,090)	(323)
Finance income			6,136	4,766
Finance costs			(1,872)	(1,752)
Profit before tax			190,431	198,895
Tax expenses			(43,713)	(43,683)
Profit for the period			<u>146,718</u>	<u>155,212</u>

A8. Material subsequent events

As at 22 December 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.

KIM LOONG RESOURCES BERHAD

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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 RM1.16 billion and RM190.43 million respectively for the cumulative three quarters ended 31 October 2023, which were 21% and 4% lower as compared to RM1.48 billion and RM198.90 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 both average selling prices of FFB and CPO by 27%. However, the FFB production for the current year-to-date was higher by 19% as compared to the corresponding period last year whilst the CPO production was marginally lower. Further information and statistics are tabulated below:

	Individual Period (3 rd quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/10/2023	31/10/2022		31/10/2023	31/10/2022	
(A) Financial Data:	RM'000	RM'000		RM'000	RM'000	
Revenue	448,679	402,412	11%	1,160,972	1,476,527	(21%)
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	84,209	64,859	30%	224,895	230,039	(2%)
Profit before interest and tax	73,844	54,725	35%	192,303	200,647	(4%)
Profit before tax	73,228	54,113	35%	190,431	198,895	(4%)
Profit after tax	57,072	42,599	34%	146,718	155,212	(5%)
Profit attributable to ordinary equity holders of the Company	47,974	36,742	31%	122,840	125,640	(2%)
(B) Statistics:						
Plantation						
FFB production (MT)	87,746	79,463	10%	243,584	203,868	19%
FFB yield per hectare (MT/Ha)	5.74	5.57	3%	16.02	15.01	7%
Average FFB selling price (RM/MT)	693	740	(6%)	718	988	(27%)
Palm Oil Milling						
CPO production (MT)	88,270	91,854	(4%)	236,777	240,829	(2%)
CPO sold (MT)	99,743	83,557	19%	253,185	232,436	9%
CPO extraction rate (%)	20.69	20.47	1%	20.61	20.66	(0%)
Average CPO selling price (RM/MT)	3,763	3,901	(4%)	3,853	5,267	(27%)

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 October 2023, the Group’s total planted area (excluding land for infrastructure, unplanted land and area under development) is 15,829 hectares. The age profile of planted area can be analysed as follows:

- < 3 years (Immature): 4%
- 3 – 6 years (Young mature): 22%
- 7 – 15 years (Prime mature): 26%
- 16 – 20 years (Old mature): 19%
- > 20 years (Pre-replanting): 29%

The Group has carried out replanting of 335 hectares during the current year to-date.

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(Registration No. 197501000991 (22703-K))

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

	Individual Period (3 rd quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/10/2023	31/10/2022		31/10/2023	31/10/2022	
Revenue:	RM'000	RM'000		RM'000	RM'000	
Plantation	60,839	58,801	3%	174,823	201,378	(13%)
Milling	439,180	391,855	12%	1,136,210	1,442,936	(21%)
	500,019	450,656	11%	1,311,033	1,644,314	(20%)
Results:						
Plantation	32,903	30,087	9%	92,390	116,247	(21%)
Milling	36,348	25,697	41%	92,500	81,570	13%
	69,251	55,784	24%	184,890	197,817	(7%)

Plantation operations

The Group recorded a higher revenue and profit for the current quarter as compared to the corresponding period last year mainly due to a 10% higher FFB production, despite a 6% drop in the average FFB selling price for the current quarter.

For the current year-to-date, the revenue and profit were 13% and 21% lower as compared to the corresponding period last year mainly due to lower FFB selling price by 27% despite a 19% increase in FFB production.

Lower increase in FFB yield per hectare was mainly due to the additional 1,270 hectares replanted area came into maturity in the current year-to-date.

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 higher revenue from the milling operations for the current quarter was mainly due to a 19% increase in the quantity of CPO sold. As for the year-to-date, lower revenue was mainly caused by a sharp decline in average CPO selling price by 27%.

As for the profit from the milling operations, it was 41% and 13% higher for the current quarter and year-to-date respectively as compared to the corresponding periods last year. The good performance in the current quarter was mainly due to the better 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 RM7.12 million, of which 60% was contributed by the plant at Kota Tinggi whilst the remaining 40% was contributed by the plant at Keningau, was double the RM3.53 million recorded 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 RM73.23 million which was 10% higher as compared to RM66.56 million achieved in the preceding quarter ended 31 July 2023.

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

The profit from plantation operations was RM32.90 million, representing a 9% improvement as compared to RM29.76 million recorded in the preceding quarter, mainly due to a 6% higher FFB production achieved in the current quarter.

For the milling operations, with higher FFB throughput and CPO production recorded in the current quarter, the profit from milling operations was RM36.35 million, representing an increase of 6% as compared to RM34.44 million recorded for the preceding quarter.

Total FFB processed has increased by 8% to 427,000 MT as compared to 395,000 MT in the preceding quarter.

Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/10/2023	31/07/2023	
(A) Financial Data:	RM'000	RM'000	
Revenue	448,679	385,607	16%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	84,209	78,338	7%
Profit before interest and tax	73,844	67,199	10%
Profit before tax	73,228	66,562	10%
Profit after tax	57,072	50,968	12%
Profit attributable to ordinary equity holders of the Company	47,974	43,354	11%
(B) Statistics:			
Plantation			
FFB production (MT)	87,746	83,007	6%
FFB yield per hectare (MT/Ha)	5.74	5.48	5%
Average FFB selling price (RM/MT)	693	695	(0%)
Palm Oil Milling			
CPO production (MT)	88,270	81,307	9%
CPO sold (MT)	99,743	85,207	17%
CPO extraction rate (%)	20.69	20.56	1%
Average CPO selling price (RM/MT)	3,763	3,799	(1%)

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 Telupid, which has commenced supply of power to grid since December 2023, to contribute positively to revenue as well as profit from the financial year 2025 onwards.

In terms of CPO price prospects, although the movement of CPO price has been less volatile recently, the Management is hopeful for the average CPO price for the financial year 2024 to stay above RM3,800 per MT.

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

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(Registration No. 197501000991 (22703-K))

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

This is not applicable.

B5. Income tax

	Current Quarter Ended 31/10/2023 RM'000	Financial Year-to-date Ended 31/10/2023 RM'000
Malaysian Income Tax		
- Current year	16,576	43,124
- Over provision in prior year	(163)	(163)
	16,413	42,961
Real property gains tax		
- Over provision in prior year	-	(5)
Deferred tax		
- Current year	(257)	757
	<u>16,156</u>	<u>43,713</u>

B6. Status of corporate proposals

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

B7. Group borrowings and debt securities

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

	As at 31/10/2023 RM'000	As at 31/10/2022 RM'000
Short term borrowings:		
Overdrafts	381	463
Revolving credit	2,500	2,500
Term loans	9,996	9,996
	<u>12,877</u>	<u>12,959</u>
Long term borrowings:		
Term loans	<u>37,989</u>	<u>47,985</u>

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

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

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

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

B8. Material litigation

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

B9. Dividend

The Board is pleased to declare a special single tier dividend of 3 sen per share in respect of the financial year ending 31 January 2024.

- (a) (i) amount per share: 3 sen single tier;
 - (ii) previous corresponding period: 5 sen single tier per share;
 - (iii) date of payment: 22 February 2024; 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 January 2024; and
- (b) total dividend for the current financial year: 8 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 cumulative three quarters by the weighted average number of ordinary shares in issue during the current quarter and the cumulative three quarters respectively, excluding treasury shares held by the Company:

		Current Quarter Ended 31/10/2023	Financial Year-to-date Ended 31/10/2023
Net profit for the period	(RM'000)	<u>47,974</u>	<u>122,840</u>
Weighted average number of ordinary shares in issue	('000)	<u>969,567</u>	<u>968,226</u>
Basic EPS	(sen)	<u>4.95</u>	<u>12.69</u>

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

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 cumulative three quarters by the weighted average number of ordinary shares in issue during the current quarter and the cumulative three quarters 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 31/10/2023	Financial Year-to-date Ended 31/10/2023
Net profit for the period	(RM'000)	47,974	122,840
Weighted average number of ordinary shares in issue	('000)	969,567	968,226
Adjustment for dilutive effect of warrants	('000)	1,455	1,315
Adjusted weighted average number of shares for Diluted EPS	('000)	971,022	969,541
Diluted EPS	(sen)	4.94	12.67

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 31/10/2023 RM'000	Financial Year-to-date Ended 31/10/2023 RM'000
(a) Interest income	(2,249)	(6,136)
(b) Other income including investment income	(1,406)	(5,116)
(c) Interest expense	616	1,872
(d) Depreciation and amortization	10,365	32,592
(e) Provision for and write off of receivables	-	-
(f) Provision for and write off of inventories	2	2
(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	757	(1,187)
(k) Net loss/(gain) arising from changes in fair value of biological assets	(753)	(451)
(l) Exceptional items	-	-

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

B13. Derivatives

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

Type of Derivatives	Contractual/ Notional Value as at 31/10/2023 RM'000	Fair Value Liabilities as at 31/10/2023 RM'000
CPO Futures contracts		
- Less than 1 year	18,793	340

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 31/10/2023 RM'000	Financial Year-to-date Ended 31/10/2023 RM'000
<u>Fair value losses of financial liabilities arising from:</u>		
- CPO Futures contracts	340	292

- (a) The fair value losses were arising from the transactions under the CPO Futures contracts.
- (b) The fair value losses were caused by 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 31 October 2023 is RM62.12 million of which RM56.19 million is trade in nature with normal trade credit terms of less than 60 days.