

**KIM LOONG RESOURCES BERHAD**

(Registration No. 197501000991 (22703-K))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/01/2024 RM'000	31/01/2023 RM'000	31/01/2024 RM'000	31/01/2023 RM'000
Revenue	365,161	431,816	1,526,133	1,908,343
Cost of sales	<u>(303,322)</u>	<u>(356,791)</u>	<u>(1,250,265)</u>	<u>(1,608,887)</u>
Gross profit	61,839	75,025	275,868	299,456
Other income	4,463	3,038	17,344	13,529
Operating expenses	(23,747)	(23,865)	(58,354)	(58,140)
Finance costs	<u>(618)</u>	<u>(650)</u>	<u>(2,490)</u>	<u>(2,402)</u>
Profit before tax	41,937	53,548	232,368	252,443
Tax	<u>(10,777)</u>	<u>(9,076)</u>	<u>(54,490)</u>	<u>(52,759)</u>
<b>Profit for the period</b>	<u>31,160</u>	<u>44,472</u>	<u>177,878</u>	<u>199,684</u>
<b>Other comprehensive income:</b>				
Net movement on cash flow hedge	-	-	-	6,752
Tax relating to other comprehensive income	-	-	-	(1,621)
Other comprehensive income for the period, net of tax	-	-	-	5,131
<b>Total comprehensive income for the period</b>	<u>31,160</u>	<u>44,472</u>	<u>177,878</u>	<u>204,815</u>
<b>Profit for the period attributable to:</b>				
Owners of the Company	24,865	36,617	147,705	162,257
Non-controlling interests	<u>6,295</u>	<u>7,855</u>	<u>30,173</u>	<u>37,427</u>
	<u>31,160</u>	<u>44,472</u>	<u>177,878</u>	<u>199,684</u>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the Company	24,865	36,617	147,705	167,388
Non-controlling interests	<u>6,295</u>	<u>7,855</u>	<u>30,173</u>	<u>37,427</u>
	<u>31,160</u>	<u>44,472</u>	<u>177,878</u>	<u>204,815</u>
<b>Earnings per share (sen):</b>				
- Basic	2.56	3.79	15.24	16.79
- Diluted	2.56	3.78	15.23	16.75
<b>Dividends per share (sen)</b>	5.00	5.00	13.00	15.00

(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**

	<b>AS AT CURRENT QUARTER ENDED 31/01/2024 RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	274,903	271,656
Bearer plants	132,073	134,202
Right-of-use assets	325,805	331,652
Deferred tax assets	2,490	6,212
Prepayments	7,632	3,856
	<u>742,903</u>	<u>747,578</u>
<b>Current assets</b>		
Inventories	43,024	58,197
Biological assets	4,558	5,565
Receivables	43,084	48,058
Prepayments	1,578	1,497
Tax recoverable	2,536	2,845
Short term funds	243,322	164,877
Cash and bank balances	175,475	234,992
	<u>513,577</u>	<u>516,031</u>
<b>TOTAL ASSETS</b>	<u><u>1,256,480</u></u>	<u><u>1,263,609</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Payables and accruals	91,424	98,976
Interest bearing borrowings (secured)	15,964	12,951
Dividend payable	29,180	48,351
Derivatives	3	48
Tax payable	12,648	10,982
	<u>149,219</u>	<u>171,308</u>
<b>Net current assets</b>	<u>364,358</u>	<u>344,723</u>
<b>Non-current liabilities</b>		
Interest bearing borrowings (secured)	35,490	45,486
Deferred tax liabilities	91,327	93,115
	<u>126,817</u>	<u>138,601</u>
<b>Total liabilities</b>	<u>276,036</u>	<u>309,909</u>
<b>Net assets</b>	<u>980,444</u>	<u>953,700</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	380,892	371,865
Reserves	485,214	464,148
Treasury shares	(1,124)	(1,626)
	<u>864,982</u>	<u>834,387</u>
<b>Non-controlling interests</b>	115,462	119,313
<b>Total equity</b>	<u>980,444</u>	<u>953,700</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,256,480</u></u>	<u><u>1,263,609</u></u>
<b>Net assets per share (RM)</b>	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	
<b>Year ended</b>							
<b><u>31 January 2024</u></b>							
<b>Balance as at 1 February 2023</b>	371,865	-	464,148	(1,626)	834,387	119,313	953,700
Profit or loss	-	-	147,705	-	147,705	30,173	177,878
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	147,705	-	147,705	30,173	177,878
Dividends	-	-	(126,157)	-	(126,157)	(34,174)	(160,331)
Issuance of shares arising from exercise of Warrants	9,027	-	(1,125)	-	7,902	-	7,902
Resale of treasury shares	-	-	643	502	1,145	-	1,145
Issuance of shares to non-controlling interests of a subsidiary company	-	-	-	-	-	150	150
<b>Total for transactions with owners</b>	9,027	-	(126,639)	502	(117,110)	(34,024)	(151,134)
<b>Balance as at 31 January 2024</b>	<u>380,892</u>	<u>-</u>	<u>485,214</u>	<u>(1,124)</u>	<u>864,982</u>	<u>115,462</u>	<u>980,444</u>

**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	RM'000	
<b>Year ended</b>							
<b><u>31 January 2023</u></b>							
<b>Balance as at 1 February 2022</b>	369,304	(5,131)	447,256	(1,626)	809,803	109,622	919,425
Profit or loss	-	-	162,257	-	162,257	37,427	199,684
Other comprehensive income	-	5,131	-	-	5,131	-	5,131
<b>Total comprehensive income for the year</b>	-	5,131	162,257	-	167,388	37,427	204,815
Dividends	-	-	(145,046)	-	(145,046)	(27,736)	(172,782)
Issuance of shares arising from exercise of Warrants	2,561	-	(319)	-	2,242	-	2,242
<b>Total for transactions with owners</b>	2,561	-	(145,365)	-	(142,804)	(27,736)	(170,540)
<b>Balance as at 31 January 2023</b>	<u>371,865</u>	<u>-</u>	<u>464,148</u>	<u>(1,626)</u>	<u>834,387</u>	<u>119,313</u>	<u>953,700</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**

	Year ended 31/01/2024 RM'000	Year ended 31/01/2023 RM'000
<b>Operating activities</b>		
Cash receipts from customers	1,537,392	1,921,410
Rental received	208	309
Interest received	8,258	8,469
Cash paid to suppliers and employees	(1,259,798)	(1,664,836)
Cash generated from operations	286,060	265,352
Interest paid	(2,493)	(2,394)
Tax paid	(50,586)	(49,947)
Net cash from operating activities	232,981	213,011
<b>Investing activities</b>		
Placement of pledged deposits	(20)	(13)
Proceeds from disposal of property, plant and equipment	1,826	803
Proceeds from disposal of investment properties	-	6,237
Acquisition of property, plant and equipment, bearer plants and right-of-use assets	(42,551)	(63,816)
Net investments in short term funds	(73,369)	(60,944)
Real property gains tax refunded/(paid)	5	(75)
Net cash used in investing activities	(114,109)	(117,808)
<b>Financing activities</b>		
Proceeds from issuance of shares	7,902	2,241
Proceeds from issuance of shares to non-controlling interests (NCI) in subsidiary companies	150	-
Drawdown of bank borrowings	3,000	7,000
Repayments of bank borrowings	(9,996)	(14,996)
Dividends paid to shareholders of the Company	(145,328)	(135,312)
Dividends paid to non-controlling interests in subsidiary companies	(34,150)	(27,736)
Net cash used in financing activities	(178,422)	(168,803)
<b>Net decrease in cash and cash equivalents</b>	(59,550)	(73,600)
<b>Cash and cash equivalents at beginning of year</b>	233,905	307,505
<b>Cash and cash equivalents at end of year (Note a)</b>	<u>174,355</u>	<u>233,905</u>
<b>Note a : Cash and cash equivalents at end of year</b>		
Cash on hand and cash in banks	92,823	113,060
Deposits with licensed banks	82,652	121,932
Cash and bank balances	<u>175,475</u>	<u>234,992</u>
Less: Bank overdrafts	(468)	(455)
Less: Fixed deposit pledged	(652)	(632)
Cash and cash equivalents	<u>174,355</u>	<u>233,905</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)

# KIM LOONG RESOURCES BERHAD

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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 ended 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 was 86,000 MT which is slightly lower than 87,700 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 year ended 31 January 2024 except for the following:

- (i) issuance of 5,644,131 new ordinary shares pursuant to exercise of 5,644,131 Warrants; and
- (ii) resale of 558,000 treasury shares.

As at 31 January 2024, the Company held as treasury shares a total of 1,248,000 of its 974,466,452 issued ordinary shares.

The outstanding unexercised number of Warrants as at 31 January 2024 was 7,624,490.

### **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;
- (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; and
- (iii) An interim single tier dividend of 5 sen per ordinary share in respect of the financial year 2024 was paid on 15 November 2023.

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**A7. Segmental information**

Major segments by activity:-

	<b>Revenue</b>		<b>Results</b>	
	Year ended		Year ended	
	31/01/2024	31/01/2023	31/01/2024	31/01/2023
	RM'000	RM'000	RM'000	RM'000
Plantation operations	234,726	263,954	117,130	145,190
Milling operations	1,493,417	1,866,579	110,737	110,581
	1,728,143	2,130,533	227,867	255,771
Add/(Less):				
Inter-segment adjustments and eliminations	(202,010)	(222,190)	2,136	(1,552)
	<u>1,526,133</u>	<u>1,908,343</u>	230,003	254,219
Add/(Less):				
Unallocated expenses			(8,505)	(7,742)
Finance income			8,284	6,712
Finance costs			(2,490)	(2,402)
Other investment income			5,076	1,656
Profit before tax			232,368	252,443
Tax expenses			(54,490)	(52,759)
Profit for the year			<u>177,878</u>	<u>199,684</u>

**A8. Material subsequent events**

As at 22 March 2024, 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 2024.



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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 RM1.53 billion and RM232.37 million respectively for the financial year ended 31 January 2024, which were 20% and 8% lower as compared to RM1.91 billion and RM252.44 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 23% and 22% respectively. However, the FFB production for the current year-to-date was higher by 15% as compared to the corresponding period last year whilst the CPO production was marginally lower. Further information and statistics are tabulated below:

	Individual Period (4 <sup>th</sup> quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/01/2024	31/01/2023		31/01/2024	31/01/2023	
<b>(A) Financial Data:</b>	RM'000	RM'000		RM'000	RM'000	
Revenue	365,161	431,816	(15%)	1,526,133	1,908,343	(20%)
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	54,346	64,640	(16%)	279,241	294,679	(5%)
Profit before interest and tax	42,555	54,198	(21%)	234,858	254,845	(8%)
Profit before tax	41,937	53,548	(22%)	232,368	252,443	(8%)
Profit after tax	31,160	44,472	(30%)	177,878	199,684	(11%)
Profit attributable to ordinary equity holders of the Company	24,865	36,617	(32%)	147,705	162,257	(9%)
<b>(B) Statistics:</b>						
<b>Plantation</b>						
FFB production (MT)	86,013	83,119	3%	329,597	286,987	15%
FFB yield per hectare (MT/Ha)	5.67	5.83	(3%)	21.69	20.84	4%
Average FFB selling price (RM/MT)	696	753	(8%)	712	920	(23%)
<b>Palm Oil Milling</b>						
CPO production (MT)	80,830	90,139	(10%)	317,607	330,968	(4%)
CPO sold (MT)	82,445	92,443	(11%)	335,630	324,879	3%
CPO extraction rate (%)	20.63	21.00	(2%)	20.61	20.75	(1%)
Average CPO selling price (RM/MT)	3,715	3,970	(6%)	3,819	4,898	(22%)

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

As of 31 January 2024, the Group’s total planted area (excluding land for infrastructure, unplanted land and area under development) is 15,926 hectares. The age profile of planted area can be analysed as follows:

- a) < 3 years (Immature): 5%
- b) 3 – 6 years (Young mature): 20%
- c) 7 – 15 years (Prime mature): 26%
- d) 16 – 20 years (Old mature): 18%
- e) > 20 years (Pre-replanting): 31%

The Group has carried out replanting of 350 hectares during the current year-to-date.

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

	Individual Period (4 <sup>th</sup> quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/01/2024	31/01/2023		31/01/2024	31/01/2023	
<b>Revenue:</b>	RM'000	RM'000		RM'000	RM'000	
Plantation	59,903	62,576	(4%)	234,726	263,954	(11%)
Milling	357,207	423,643	(16%)	1,493,417	1,866,579	(20%)
	<b>417,110</b>	<b>486,219</b>	<b>(14%)</b>	<b>1,728,143</b>	<b>2,130,533</b>	<b>(19%)</b>
<b>Results:</b>						
Plantation	27,515	29,718	(7%)	117,130	145,190	(19%)
Milling	18,900	29,164	(35%)	110,737	110,581	0%
	<b>46,415</b>	<b>58,882</b>	<b>(21%)</b>	<b>227,867</b>	<b>255,771</b>	<b>(11%)</b>

### Plantation operations

The Group recorded a lower revenue and profit for the current quarter as compared to the corresponding period last year mainly due to an 8% drop in average FFB selling price, despite a 3% increase in the FFB production for the current quarter.

For the current year-to-date, the revenue and profit were 11% and 19% lower as compared to the corresponding period last year mainly due to lower FFB selling price by 23% despite a 15% 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 lower revenue from the milling operations for the current quarter was mainly due to an 11% drop 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 22%.

The profit from the milling operations for the current financial year-to-date was slightly higher as compared to the preceding year. However, the profit for the current quarter was 35% lower as compared to the corresponding period last year. The significant drop in the profit performance in the current quarter was mainly due to the lower processing throughput and oil extraction rate.

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 RM10.37 million, of which 56% was contributed by the plant at Kota Tinggi whilst the remaining 44% was contributed by the plant at Keningau. Current year's revenue leaped more than double as compared to RM4.69 million recorded in the preceding year, was mainly due to additional revenue contribution from the plant at Keningau.

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

The PBT for the current quarter was RM41.94 million which was 43% lower as compared to RM73.23 million achieved in the preceding quarter ended 31 October 2023.

The profit from plantation operations was RM27.52 million, representing a drop of 15% as compared to RM32.34 million recorded in the preceding quarter, mainly due to lower FFB production, higher operational cost and recognition of fair value loss in biological assets in the current quarter.

For the milling operations, lower CPO production and sales recorded in the current quarter and higher operational cost have resulted the profit from milling operations for the current quarter dropped by 48% to RM18.90 million as compared to RM36.07 million recorded for the preceding quarter.

Total FFB processed has dropped by 8% to 392,000 MT as compared to 427,000 MT in the preceding quarter.

Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/01/2024	31/10/2023	
<b>(A) Financial Data:</b>	RM'000	RM'000	
Revenue	365,161	448,679	(19%)
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	54,346	84,209	(35%)
Profit before interest and tax	42,555	73,844	(42%)
Profit before tax	41,937	73,228	(43%)
Profit after tax	31,160	57,072	(45%)
Profit attributable to ordinary equity holders of the Company	24,865	47,974	(48%)
<b>(B) Statistics:</b>			
<b>Plantation</b>			
FFB production (MT)	86,013	87,746	(2%)
FFB yield per hectare (MT/Ha)	5.67	5.74	(1%)
Average FFB selling price (RM/MT)	696	693	0%
<b>Palm Oil Milling</b>			
CPO production (MT)	80,830	88,270	(8%)
CPO sold (MT)	82,445	99,743	(17%)
CPO extraction rate (%)	20.63	20.69	(0%)
Average CPO selling price (RM/MT)	3,715	3,763	(1%)

### B3. Current financial year prospects

The Management targets to achieve at least 5% higher FFB production for the current financial year ending 31 January 2025, after taking into accounts of better age profile of young palms productive area and on-going replanting program. The Group targets to replant about 1,000 hectares in the financial year 2025.

As for palm oil milling operations, the Management targets to achieve a total processing throughput of 1.6 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.

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In terms of CPO price prospects, the Management expects the average CPO price for the financial year 2025 to stay around RM4,000 per MT.

Based on the above, we expect the Group to perform satisfactorily for the financial year 2025.

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

This is not applicable.

### B5. Income tax

	Current Quarter Ended 31/01/2024 RM'000	Financial Year-to-date Ended 31/01/2024 RM'000
<b>Malaysian Income Tax</b>		
- Current year	9,600	52,724
- Over provision in prior year	-	(163)
	9,600	52,561
<b>Real property gains tax</b>		
- Over provision in prior year	-	(5)
<b>Deferred tax</b>		
- Current year	1,160	1,917
- Over provision in prior year	17	17
	1,177	1,934
	<u>10,777</u>	<u>54,490</u>

### B6. Status of corporate proposals

There is no outstanding corporate proposal as at 22 March 2024.

### B7. Group borrowings and debt securities

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

	As at 31/01/2024 RM'000	As at 31/01/2023 RM'000
Short term borrowings:		
Overdrafts	468	455
Revolving credit	5,500	2,500
Term loans	9,996	9,996
	<u>15,964</u>	<u>12,951</u>
Long term borrowings:		
Term loans	<u>35,490</u>	<u>45,486</u>

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- (a) There was no unsecured interest-bearing borrowings as at 31 January 2024.
- (b) The movements revolving credit and terms loans were due to drawdown and repayments respectively.
- (c) Weighted average interest rate of borrowings as at 31 January 2024 was 4.78% per annum. There is no borrowing that is based on fixed interest rate.

### B8. Material litigation

As at 22 March 2024, there were no material litigations against the Group.

### B9. Dividend

The Board is pleased to declare a second interim single tier dividend of 5 sen per share in respect of the financial year ended 31 January 2024. The Board does not propose any final dividend for the financial year ended 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 May 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 25 April 2024; and
- (b) total dividend for the current financial year: 13 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 financial year by the weighted average number of ordinary shares in issue during the current quarter and the financial year respectively, excluding treasury shares held by the Company:

		Current Quarter Ended 31/01/2024	Financial Year-to-date Ended 31/01/2024
Net profit for the period/year	(RM'000)	24,865	147,705
Weighted average number of ordinary shares in issue	('000)	970,829	968,882
Basic EPS	(sen)	2.56	15.24

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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 financial year by the weighted average number of ordinary shares in issue during the current quarter and the financial 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 31/01/2024	Financial Year-to-date Ended 31/01/2024
Net profit for the period/year	(RM'000)	24,865	147,705
Weighted average number of ordinary shares in issue	('000)	970,829	968,882
Adjustment for dilutive effect of warrants	('000)	1,618	1,207
Adjusted weighted average number of shares for Diluted EPS	('000)	972,447	970,089
Diluted EPS	(sen)	2.56	15.23

### **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 31/01/2024 RM'000	Financial Year-to-date Ended 31/01/2024 RM'000
(a) Interest income	(2,148)	(8,284)
(b) Other income including investment income	(2,191)	(7,307)
(c) Interest expense	618	2,490
(d) Depreciation and amortization	10,868	43,460
(e) Provision for and write off of receivables	18	18
(f) Provision for and write off of inventories	-	2
(g) (Gain) or loss on disposal of investment properties	-	-
(h) Provision for/(Reversal of) impairment of assets	923	923
(i) Foreign exchange (gain)/loss	-	-
(j) (Gain) or loss on derivatives	(574)	(1,761)
(k) Net loss/(gain) arising from changes in fair value of biological assets	1,458	1,007
(l) Exceptional items	-	-

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### B13. Derivatives

The Group has entered into the following derivative contracts which are outstanding as at 31 January 2024:

Type of Derivatives	Contractual/ Notional Value as at 31/01/2024 RM'000	Fair Value Liabilities as at 31/01/2024 RM'000
CPO Futures contracts		
- Less than 1 year	16,919	3

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 31/01/2024 RM'000	Financial Year-to-date Ended 31/01/2024 RM'000
<u>Fair value gains of financial liabilities arising from:</u>		
- CPO Futures contracts	(337)	(45)

- (a) The fair value gains were arising from the transactions under the CPO Futures contracts.
- (b) The fair value gains were 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 the reporting period.

### B15. Additional Information

- (a) Receivables

Total receivables as at 31 January 2024 is RM43.08 million of which RM36.01 million is trade in nature with normal trade credit terms of less than 60 days.