

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2023 RM'000	CURRENT YEAR TO-DATE 30/04/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2023 RM'000
Revenue	388,386	326,686	388,386	326,686
Cost of sales	<u>(307,952)</u>	<u>(267,442)</u>	<u>(307,952)</u>	<u>(267,442)</u>
Gross profit	80,434	59,244	80,434	59,244
Other income	7,856	4,174	7,856	4,174
Operating expenses	(11,366)	(12,158)	(11,366)	(12,158)
Finance costs	<u>(593)</u>	<u>(619)</u>	<u>(593)</u>	<u>(619)</u>
Profit before tax	76,331	50,641	76,331	50,641
Tax	<u>(17,669)</u>	<u>(11,963)</u>	<u>(17,669)</u>	<u>(11,963)</u>
Profit for the period	<u>58,662</u>	<u>38,678</u>	<u>58,662</u>	<u>38,678</u>
Other comprehensive income:				
Net movement on cash flow hedge	-	-	-	-
Tax relating to other comprehensive income	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	<u>58,662</u>	<u>38,678</u>	<u>58,662</u>	<u>38,678</u>
Profit for the period attributable to:				
Owners of the Company	49,516	31,512	49,516	31,512
Non-controlling interests	<u>9,146</u>	<u>7,166</u>	<u>9,146</u>	<u>7,166</u>
	<u>58,662</u>	<u>38,678</u>	<u>58,662</u>	<u>38,678</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	49,516	31,512	49,516	31,512
Non-controlling interests	<u>9,146</u>	<u>7,166</u>	<u>9,146</u>	<u>7,166</u>
	<u>58,662</u>	<u>38,678</u>	<u>58,662</u>	<u>38,678</u>
Earnings per share (sen):				
- Basic	5.08	3.26	5.08	3.26
- Diluted	5.07	3.25	5.07	3.25
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 2024)

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT QUARTER ENDED 30/04/2024 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	276,714	275,083
Bearer plants	131,061	132,073
Right-of-use assets	324,343	325,805
Deferred tax assets	2,329	2,490
Prepayments	9,545	7,632
	743,992	743,083
Current assets		
Inventories	38,971	43,024
Biological assets	6,394	4,558
Receivables	57,641	43,148
Prepayments	1,819	1,578
Tax recoverable	1,289	2,536
Short term funds	208,248	243,322
Cash and bank balances	220,475	175,475
	534,837	513,641
TOTAL ASSETS	<u>1,278,829</u>	<u>1,256,724</u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables and accruals	91,768	91,753
Interest bearing borrowings (secured)	15,970	15,964
Dividend payable	48,754	29,180
Derivatives	244	3
Tax payable	16,020	12,583
	172,756	149,483
Net current assets	362,081	364,158
Non-current liabilities		
Interest bearing borrowings (secured)	32,991	35,490
Deferred tax liabilities	91,574	91,327
	124,565	126,817
Total liabilities	297,321	276,300
Net assets	981,508	980,424
Equity attributable to owners of the Company		
Share capital	383,865	380,892
Reserves	478,676	485,149
Treasury shares	(1,124)	(1,124)
	861,417	864,917
Non-controlling interests	120,091	115,507
Total equity	981,508	980,424
TOTAL EQUITY AND LIABILITIES	<u>1,278,829</u>	<u>1,256,724</u>
Net assets per share (RM)	0.88	0.89

(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 2024)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Distributable					
	Share capital	Retained profits	Treasury shares	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
3 months ended						
<u>30 April 2024</u>						
Balance as at 1 February 2024	380,892	485,149	(1,124)	864,917	115,507	980,424
Profit or loss	-	49,516	-	49,516	9,146	58,662
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	49,516	-	49,516	9,146	58,662
Dividends	-	(48,754)	-	(48,754)	(2,400)	(51,154)
Issuance of shares arising from exercise of Warrants	2,973	(370)	-	2,603	-	2,603
Acquisition from non-controlling interest	-	(6,865)	-	(6,865)	(2,162)	(9,027)
Total for transactions with owners	2,973	(55,989)	-	(53,016)	(4,562)	(57,578)
Balance as at 30 April 2024	<u>383,865</u>	<u>478,676</u>	<u>(1,124)</u>	<u>861,417</u>	<u>120,091</u>	<u>981,508</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company			Non-controlling interests	Total equity	
	Distributable					
	Share capital	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	953,700
Profit or loss	-	31,512	-	31,512	7,166	38,678
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	31,512	-	31,512	7,166	38,678
Issuance of shares arising from exercise of Warrants	294	(37)	-	257	-	257
Total for transaction with owners	294	(37)	-	257	-	257
Balance as at 30 April 2023	<u>372,159</u>	<u>495,623</u>	<u>(1,626)</u>	<u>866,156</u>	<u>126,479</u>	<u>992,635</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 2024)

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30/04/2024 RM'000	3 months ended 30/04/2023 RM'000
Operating activities		
Cash receipts from customers	375,655	316,276
Rental received	54	48
Interest received	1,938	1,764
Cash paid to suppliers and employees	(304,459)	(290,459)
Cash generated from operations	73,188	27,629
Interest paid	(602)	(627)
Tax paid	(12,577)	(8,994)
Net cash from operating activities	60,009	18,008
Investing activities		
Additional investment in existing subsidiary company	(9,027)	-
Proceeds from disposal of property, plant and equipment	310	530
Acquisition of property, plant and equipment, bearer plants and right-of-use assets	(14,701)	(8,547)
Net withdrawal from short term funds	36,334	24,617
Net cash from investing activities	12,916	16,600
Financing activities		
Proceeds from issuance of shares	2,603	257
Net increase in restricted cash	(4)	(9)
Repayments of bank borrowings	(2,499)	(2,499)
Dividends paid to shareholders of the Company	(29,180)	(48,351)
Proceed from disposal of treasury shares	1,145	-
Net cash used in financing activities	(27,935)	(50,602)
Net increase/(decrease) in cash and cash equivalents	44,990	(15,994)
Cash and cash equivalents at beginning of period	174,355	233,905
Cash and cash equivalents at end of period (Note a)	219,345	217,911
Note a : Cash and cash equivalents at end of period		
Cash on hand and cash in banks	128,119	106,069
Deposits with licensed banks	92,356	112,936
Cash and bank balances	220,475	219,005
Less: Bank overdrafts	(474)	(453)
Less: Fixed deposit pledged	(656)	(641)
Cash and cash equivalents	219,345	217,911

(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 2024)

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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 2024. 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 2024.

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 2024 except for the adoption of the following amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2024:

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>	
- Classification of Liabilities as Current or Non-current	1 January 2024
- 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

The adoption of these 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 new and amended MFRSs, which were issued but not yet effective for the financial year ending 31 January 2025:

	Effective for financial periods beginning on or after
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i> – Lack of Exchangeability	1 January 2025
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
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 new and 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 a higher production in the second half of the financial year.

The Group’s FFB production for the current quarter was 77,300 MT which was 10% 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 2024 except for issuance of 1,859,235 new ordinary shares pursuant to exercise of 1,859,235 Warrants.

As at 30 April 2024, the Company held as treasury shares a total of 1,248,000 of its 976,325,687 issued ordinary shares.

The outstanding unexercised number of Warrants as at 30 April 2024 was 5,765,255.

A6. Dividends paid

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

- (i) A special single tier dividend of 3 sen per ordinary share in respect of the financial year 2024 was paid on 22 February 2024.

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A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	3 months ended		3 months ended	
	30/04/2024	30/04/2023	30/04/2024	30/04/2023
	RM'000	RM'000	RM'000	RM'000
Plantation operations	60,839	56,332	34,922	29,139
Milling operations	380,442	320,003	38,737	21,536
	441,281	376,335	73,659	50,675
Add/(Less):				
Inter-segment adjustments and eliminations	(52,895)	(49,649)	385	(1,582)
	<u>388,386</u>	<u>326,686</u>	74,044	49,093
Add/(Less):				
Unallocated expenses			(379)	(343)
Finance income			1,998	1,742
Finance costs			(593)	(619)
Other investment income			1,261	768
Profit before tax			<u>76,331</u>	<u>50,641</u>
Tax expenses			(17,669)	(11,963)
Profit for the period			<u>58,662</u>	<u>38,678</u>

A8. Material subsequent events

As at 24 June 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 except for the following:

On 3 April 2024, the Company acquired the remaining 1 ordinary share, fully paid, in Winsome Yields Sdn. Bhd. ("WYSB"), a 90% owned subsidiary of the Company, for a total cash consideration of RM9,000,000 ("Acquisition").

As a result of the Acquisition, WYSB became a wholly owned subsidiary of the Company.

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 RM388.39 million and RM76.33 million respectively for the current quarter ended 30 April 2024, which were 19% and 51% higher as compared to RM326.69 million and RM50.64 million respectively for the corresponding period last year. The good performance for the current financial year-to-date was mainly due to higher FFB and CPO production by 6% and 13% respectively. On the other hand, the average selling prices of FFB and CPO for the current year-to-date were also higher by 2% and 3% 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 (%)
	30/04/2024	30/04/2023		30/04/2024	30/04/2023	
(A) Financial Data:	RM'000	RM'000		RM'000	RM'000	
Revenue	388,386	326,686	19%	388,386	326,686	19%
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	87,630	62,348	41%	87,630	62,348	41%
Profit before interest and tax	76,924	51,260	50%	76,924	51,260	50%
Profit before tax	76,331	50,641	51%	76,331	50,641	51%
Profit after tax	58,662	38,678	52%	58,662	38,678	52%
Profit attributable to ordinary equity holders of the Company	49,516	31,512	57%	49,516	31,512	57%
(B) Statistics:						
Plantation						
FFB production (MT)	77,317	72,831	6%	77,317	72,831	6%
FFB yield per hectare (MT/Ha)	5.01	4.80	4%	5.01	4.80	4%
Average FFB selling price (RM/MT)	787	773	2%	787	773	2%
Palm Oil Milling						
CPO production (MT)	75,626	67,200	13%	75,626	67,200	13%
CPO sold (MT)	77,901	68,235	14%	77,901	68,235	14%
CPO extraction rate (%)	20.59	20.57	0%	20.59	20.57	0%
Average CPO selling price (RM/MT)	4,180	4,050	3%	4,180	4,050	3%

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 at 30 April 2024, the Group’s total planted area (excluding land for infrastructure, unplanted land and area under development) is 15,745 hectares. The age profile of planted area can be analysed as follows:

- < 3 years (Immature): 2%
- 3 – 6 years (Young mature): 23%
- 7 – 15 years (Prime mature): 27%
- 16 – 20 years (Old mature): 18%
- > 20 years (Pre-replanting): 30%

The Group has carried out replanting of 210 hectares 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 (%)
	30/04/2024	30/04/2023		30/04/2024	30/04/2023	
Revenue:	RM'000	RM'000		RM'000	RM'000	
Plantation	60,839	56,332	8%	60,839	56,332	8%
Milling	380,442	320,003	19%	380,442	320,003	19%
	441,281	376,335	17%	441,281	376,335	17%
Results:						
Plantation	34,922	29,139	20%	34,922	29,139	20%
Milling	38,737	21,536	80%	38,737	21,536	80%
	73,659	50,675	45%	73,659	50,675	45%

Plantation operations

The Group recorded a higher revenue and profit for the current quarter and year-to-date as compared to the corresponding period last year mainly due to higher FFB production and average FFB selling price by 6% and 2% respectively.

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 19% higher as compared to the corresponding period last year mainly due to higher CPO quantity sold.

The profit from the milling operations jumped by 80% to RM38.74 million. The good performance was mainly due to higher CPO production, 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 RM2.83 million, of which about 60% was contributed by the plant at Keningau whilst the remaining 40% was contributed by the plant at Kota Tinggi. The revenue achieved was more than double of RM1.33 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 RM76.33 million which was 82% higher than RM41.85 million achieved in the preceding quarter ended 31 January 2024.

Despite the 10% drop in FFB production, the profit from plantation operations improved by 27% or RM7.40 million to RM34.92 million as compared to RM27.52 million in the preceding quarter, mainly due to the 13% higher FFB selling price.

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For the milling operations, despite a 6% drop in both FFB throughput and CPO production in the current quarter, the profit from milling operations jumped to RM38.74 million, representing an increase of 103% or RM19.66 million as compared to RM19.08 million recorded for the preceding quarter. The good performance was mainly due to better processing margin with strategic marketing and FFB pricing.

Total FFB processed has dropped by 6% to 367,000 MT as compared to 392,000 MT in the preceding quarter.

Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30/04/2024	31/01/2024	
(A) Financial Data:			
	RM'000	RM'000	
Revenue	388,386	365,161	6%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	87,630	54,080	62%
Profit before interest and tax	76,924	42,471	81%
Profit before tax	76,331	41,853	82%
Profit after tax	58,662	31,141	88%
Profit attributable to ordinary equity holders of the Company	49,516	24,911	99%
(B) Statistics:			
Plantation			
FFB production (MT)	77,317	86,013	(10%)
FFB yield per hectare (MT/Ha)	5.01	5.67	(12%)
Average FFB selling price (RM/MT)	787	696	13%
Palm Oil Milling			
CPO production (MT)	75,626	80,830	(6%)
CPO sold (MT)	77,901	82,445	(6%)
CPO extraction rate (%)	20.59	20.63	(0%)
Average CPO selling price (RM/MT)	4,180	3,715	13%

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. As our biogas plant at Telupid has commenced supply of renewable energy to SESB's grid since December 2023, we expect this plant 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 can be volatile and unpredictable, 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.

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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 30/04/2024 RM'000	Financial Year-to-date Ended 30/04/2024 RM'000
Malaysian Income Tax		
- Current year	17,261	17,261
Deferred tax		
- Current year	408	408
	<u>17,669</u>	<u>17,669</u>

B6. Status of corporate proposals

There is no outstanding corporate proposal as at 24 June 2024.

B7. Group borrowings and debt securities

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

	As at 30/04/2024 RM'000	As at 30/04/2023 RM'000
Short term borrowings:		
Overdrafts	474	453
Revolving credit	5,500	2,500
Term loans	9,996	9,996
	<u>15,970</u>	<u>12,949</u>
Long term borrowings:		
Term loans	32,991	42,987

(a) There were no unsecured interest bearing borrowing as at 30 April 2024.

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

(c) Weighted average interest rate of borrowings as at 30 April 2024 was 4.81% per annum. There is no borrowing that is based on fixed interest rate.

B8. Material litigation

As at 24 June 2024, 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 2024 and previous year corresponding period ended 30 April 2023.

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 30/04/2024	Financial Year-to-date Ended 30/04/2024
Net profit for the period	(RM'000)	49,516	49,516
Weighted average number of ordinary shares in issue	('000)	974,092	974,092
Basic EPS	(sen)	5.08	5.08

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 30/04/2024	Financial Year-to-date Ended 30/04/2024
Net profit for the period	(RM'000)	49,516	49,516
Weighted average number of ordinary shares in issue	('000)	974,092	974,092
Adjustment for dilutive effect of warrants	('000)	2,080	2,080
Adjusted weighted average number of shares for Diluted EPS	('000)	976,172	976,172
Diluted EPS	(sen)	5.07	5.07

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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 30/04/2024 RM'000	Financial Year-to-date Ended 30/04/2024 RM'000
(a) Interest income	(1,998)	(1,998)
(b) Other income including investment income	(1,860)	(1,860)
(c) Interest expense	593	593
(d) Depreciation and amortization	10,706	10,706
(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	(2,170)	(2,170)
(k) Net loss/(gain) arising from changes in fair value of biological assets	(1,836)	(1,836)
(l) Exceptional items	-	-

B13. Derivatives

The Group has entered into the following derivative instruments which are outstanding as at 30 April 2024:

Type of Derivatives	Contractual/ Notional Value as at 30/04/2024 RM'000	Fair Value Liabilities as at 30/04/2024 RM'000
CPO Futures contracts		
- Less than 1 year	11,668	244
	<u>11,668</u>	<u>244</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 30/04/2024 RM'000	Financial Year-to-date Ended 30/04/2024 RM'000
<u>Fair value losses of financial liabilities arising from:</u>		
- CPO Futures contracts	<u>241</u>	<u>241</u>

- (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:
- (i) the difference of contract value upon closure or settlement of contracts; and
 - (ii) 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 2024 is RM57.64 million of which RM51.85 million is trade in nature with normal trade credit terms of less than 60 days.