

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/10/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2023 RM'000	CURRENT YEAR TO-DATE 31/10/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2023 RM'000
Revenue	446,379	448,679	1,240,701	1,160,972
Cost of sales	<u>(361,147)</u>	<u>(366,172)</u>	<u>(1,002,269)</u>	<u>(946,943)</u>
Gross profit	85,232	82,507	238,432	214,029
Other income	5,702	3,345	17,370	12,881
Operating expenses	(13,812)	(12,008)	(38,224)	(34,607)
Finance costs	<u>(533)</u>	<u>(616)</u>	<u>(1,704)</u>	<u>(1,872)</u>
Profit before tax	76,589	73,228	215,874	190,431
Tax	<u>(19,063)</u>	<u>(16,156)</u>	<u>(51,338)</u>	<u>(43,713)</u>
Profit for the period	<u>57,526</u>	<u>57,072</u>	<u>164,536</u>	<u>146,718</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>57,526</u>	<u>57,072</u>	<u>164,536</u>	<u>146,718</u>
Profit for the period attributable to:				
Owners of the Company	49,964	47,974	138,984	122,840
Non-controlling interests	<u>7,562</u>	<u>9,098</u>	<u>25,552</u>	<u>23,878</u>
	<u>57,526</u>	<u>57,072</u>	<u>164,536</u>	<u>146,718</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	49,964	47,974	138,984	122,840
Non-controlling interests	<u>7,562</u>	<u>9,098</u>	<u>25,552</u>	<u>23,878</u>
	<u>57,526</u>	<u>57,072</u>	<u>164,536</u>	<u>146,718</u>
Earnings per share (sen):				
- Basic	5.12	4.95	14.26	12.69
- Diluted	5.11	4.94	14.23	12.67
Dividends per share (sen)	5.00	3.00	10.00	8.00

(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 2024)

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT QUARTER ENDED 31/10/2024 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	283,292	275,083
Bearer plants	130,629	132,073
Right-of-use assets	325,238	325,805
Deferred tax assets	573	2,490
Prepayments	6,174	7,632
	745,906	743,083
Current assets		
Inventories	32,721	43,024
Biological assets	6,060	4,558
Receivables	65,227	43,148
Prepayments	2,446	1,578
Tax recoverable	184	2,536
Short term funds	259,609	243,322
Cash and bank balances	228,674	175,475
	594,921	513,641
TOTAL ASSETS	<u>1,340,827</u>	<u>1,256,724</u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables and accruals	99,891	91,753
Loans and borrowings	14,996	15,964
Dividend payable	48,799	29,180
Derivatives	1,003	3
Tax payable	33,366	12,583
	198,055	149,483
Net current assets	<u>396,866</u>	<u>364,158</u>
Non-current liabilities		
Loans and borrowings	27,993	35,490
Deferred tax liabilities	91,381	91,327
	119,374	126,817
Total liabilities	<u>317,429</u>	<u>276,300</u>
Net assets	<u>1,023,398</u>	<u>980,424</u>
Equity attributable to owners of the Company		
Share capital	385,356	380,892
Reserves	519,159	485,149
Treasury shares	(1,124)	(1,124)
	903,391	864,917
Non-controlling interests	120,007	115,507
Total equity	<u>1,023,398</u>	<u>980,424</u>
TOTAL EQUITY AND LIABILITIES	<u>1,340,827</u>	<u>1,256,724</u>
Net assets per share (RM)	0.93	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)

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	
	Distributable					
	Share capital	Retained profits	Treasury shares			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 months ended						
<u>31 October 2024</u>						
Balance as at 1 February 2024	380,892	485,149	(1,124)	864,917	115,507	980,424
Profit net of tax	-	138,984	-	138,984	25,552	164,536
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	138,984	-	138,984	25,552	164,536
Dividends	-	(97,553)	-	(97,553)	(18,890)	(116,443)
Issuance of shares arising from exercise of Warrants	4,464	(556)	-	3,908	-	3,908
Acquisition from non-controlling interest	-	(6,865)	-	(6,865)	(2,162)	(9,027)
Total for transactions with owners	4,464	(104,974)	-	(100,510)	(21,052)	(121,562)
Balance as at 31 October 2024	<u>385,356</u>	<u>519,159</u>	<u>(1,124)</u>	<u>903,391</u>	<u>120,007</u>	<u>1,023,398</u>

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
	Distributable					
	Share capital	Retained profits	Treasury shares	Total		
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 net of tax	-	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 subsidiary company	-	-	-	-	150	150
Total for transaction with owners	5,152	(97,619)	-	(92,467)	(25,962)	(118,429)
Balance as at 31 October 2023	<u>377,017</u>	<u>489,369</u>	<u>(1,626)</u>	<u>864,760</u>	<u>117,229</u>	<u>981,989</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

	9 months ended 31/10/2024 RM'000	9 months ended 31/10/2023 RM'000
Operating activities		
Cash receipts from customers	1,223,978	1,151,043
Rental received	160	154
Interest received	6,367	6,109
Cash paid to suppliers and employees	(986,416)	(939,815)
Cash generated from operations	244,089	217,491
Interest paid	(1,712)	(1,878)
Tax paid	(26,232)	(24,913)
Net cash from operating activities	216,145	190,700
Investing activities		
Additional investment in existing subsidiary company	(9,027)	-
Proceeds from disposal of property, plant and equipment	445	1,350
Acquisition of property, plant and equipment, bearer plants and right-of-use assets	(40,040)	(27,854)
Net investments in short term funds	(13,296)	(64,691)
Real property gains tax refunded/(paid)	-	5
Net cash used in investing activities	(61,918)	(91,190)
Financing activities		
Proceeds from issuance of shares	3,908	4,510
Proceeds from issuance of shares to non-controlling interests (NCI) in subsidiary companies	-	150
Net increase in restricted cash	(13)	(14)
Repayments of bank borrowings	(7,997)	(7,497)
Dividends paid to shareholders of the Company	(77,934)	(96,819)
Dividends paid to non-controlling interests in subsidiary companies	(19,682)	(26,088)
Proceed from disposal of treasury shares	1,145	-
Net cash used in financing activities	(100,573)	(125,758)
Net increase/(decrease) in cash and cash equivalents	53,654	(26,248)
Cash and cash equivalents at beginning of period	174,355	233,905
Cash and cash equivalents at end of period (Note a)	228,009	207,657
Note a : Cash and cash equivalents at end of period		
Cash on hand and cash in banks	139,880	121,138
Deposits with licensed banks	88,794	87,546
Cash and bank balances	228,674	208,684
Less: Bank overdrafts	-	(381)
Less: Fixed deposit pledged	(665)	(646)
Cash and cash equivalents	228,009	207,657

(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)

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

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 and Annual Improvements, which have been 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
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</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 and Annual Improvements above, if applicable, when they become effective and does not expect any material impact on the financial statements in the year of initial adoption.

KIM LOONG RESOURCES BERHAD

(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 lower 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 82,100 MT which was marginally 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 yield trend for Sabah state in which approximately 80% of the Group’s plantations landbank located.

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 2024 except for issuance of 2,791,261 new ordinary shares pursuant to exercise of 2,791,261 Warrants.

As at 31 October 2024, the Company held as treasury shares a total of 1,248,000 of its 977,257,713 issued ordinary shares.

The outstanding unexercised number of Warrants as at 31 October 2024 was 4,833,229.

A6. Dividends paid

The gross dividends paid during the current financial year-to-date were as follows:

- (i) Special single tier dividend of 3 sen per ordinary share in respect of the financial year 2024 paid on 22 February 2024; and
- (ii) Second interim single tier dividend of 5 sen per ordinary share in respect of the financial year 2024 paid on 15 May 2024.

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	9 months ended		9 months ended	
	31/10/2024	31/10/2023	31/10/2024	31/10/2023
	RM'000	RM'000	RM'000	RM'000
Plantation operations	187,629	174,823	105,037	89,615
Milling operations	1,211,286	1,136,210	103,910	91,837
	1,398,915	1,311,033	208,947	181,452
Add/(Less):				
Inter-segment adjustments and eliminations	(158,214)	(150,061)	787	2,367
	<u>1,240,701</u>	<u>1,160,972</u>	209,734	183,819
Add/(Less):				
Unallocated expenses			(1,565)	(1,090)
Finance income			6,418	6,136
Finance costs			(1,704)	(1,872)
Other investment income			2,991	3,438
Profit before tax			215,874	190,431
Tax expenses			(51,338)	(43,713)
Profit for the period			<u>164,536</u>	<u>146,718</u>

A8. Material subsequent events

As at 24 December 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.

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

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 RM1.24 billion and RM215.87 million respectively for the cumulative three quarter ended 31 October 2024, which were 7% and 13% higher as compared to RM1.16 billion and RM190.43 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 prices by 8% and 6% respectively. On the other hand, the FFB production for the current year-to-date was marginally lower as compared to the corresponding period last year whilst the CPO production was 3% higher. 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 (%)
	31/10/2024	31/10/2023		31/10/2024	31/10/2023	
(A) Financial Data:	RM'000	RM'000		RM'000	RM'000	
Revenue	446,379	448,679	(1%)	1,240,701	1,160,972	7%
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	87,974	84,209	4%	249,757	224,895	11%
Profit before interest and tax	77,122	73,844	4%	217,578	192,303	13%
Profit before tax	76,589	73,228	5%	215,874	190,431	13%
Profit after tax	57,526	57,072	1%	164,536	146,718	12%
Profit attributable to ordinary equity holders of the Company	49,964	47,974	4%	138,984	122,840	13%
(B) Statistics:						
Plantation						
FFB production (MT)	82,057	87,746	(6%)	241,268	243,584	(1%)
FFB yield per hectare (MT/Ha)	5.52	5.74	(4%)	15.92	16.02	(1%)
Average FFB selling price (RM/MT)	798	693	15%	778	718	8%
Palm Oil Milling						
CPO production (MT)	87,679	88,270	(1%)	244,711	236,777	3%
CPO sold (MT)	88,668	99,743	(11%)	249,381	253,185	(2%)
CPO extraction rate (%)	20.80	20.69	1%	20.46	20.61	(1%)
Average CPO selling price (RM/MT)	4,117	3,763	9%	4,097	3,853	6%

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 31 October 2024, the Group’s total planted area (excluding land for infrastructure, unplantable land and area under development) is 15,838 hectares. The age profile of planted area can be analysed as follows:

- < 3 years (Immature): 7%
- 3 – 6 years (Young mature): 23%
- 7 – 15 years (Prime mature): 26%
- 16 – 20 years (Old mature): 18%
- > 20 years (Pre-replanting): 26%

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

During the second quarter, the Company acquired an oil palm plantation land measuring approximately 80 hectares which is nearby its existing operations. The vacant possession of the land was taken over in June 2024, and the replanting had been completed as of the end of the current quarter.

The Group has carried out replanting of 900 hectares during the current year to-date.

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 (%)
	31/10/2024	31/10/2023		31/10/2024	31/10/2023	
Revenue:	RM'000	RM'000		RM'000	RM'000	
Plantation	65,512	60,839	8%	187,629	174,823	7%
Milling	434,849	439,180	(1%)	1,211,286	1,136,210	7%
	500,361	500,019	0%	1,398,915	1,311,033	7%
Results:						
Plantation	37,325	32,342	15%	105,037	89,615	17%
Milling	37,507	36,067	4%	103,910	91,837	13%
	74,832	68,409	9%	208,947	181,452	15%

Plantation operations

The Group recorded higher revenue and profit for the current quarter as compared to the corresponding period last year mainly due to a 15% higher FFB price, despite a 6% drop in the FFB production for the current quarter.

For the current year-to-date, the revenue and profit were 7% and 17% higher respectively as compared to the corresponding period last year mainly due to higher FFB selling price, despite a marginal drop in the FFB production.

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 caused by an 11% drop in the quantity of CPO sold but cushioned by 9% higher average selling price. As for the year-to-date, 7% higher revenue was mainly on account of a 6% higher average CPO selling price.

The profit from the milling operations was 4% and 13% higher for the current quarter and year-to-date respectively as compared to the corresponding periods last year. The good performance was mainly due to better processing margin and milling efficiency.

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 RM2.98 million which was 28% lower as compared to the corresponding period last year. As for the year-to-date, the revenue recorded at RM8.47 million, which was 19% higher as compared to the revenue recorded in the corresponding periods last year.

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

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

The PBT for the current quarter was RM76.59 million which was 22% higher than RM62.95 million achieved in the preceding quarter ended 31 July 2024.

The profit from plantation operations increased by 14% or RM4.54 million to RM37.33 million as compared to RM32.79 million in the preceding quarter, mainly due to a 7% higher average selling price for FFB. The Group's FFB yield per hectare of 5.52 MT for the current quarter was lower-than-expected due to a sharp drop of 21% or nearly 7,000 MT in FFB production from the Group's estates in Keningau, Sabah, but cushioned with a strong 20% increase in FFB yield recorded for the Group's estates in Sandakan region which surpassed the improvement in FFB yield performance for Sabah state as published by MPOB.

With higher FFB throughput in the current quarter, the milling operations recorded a profit of RM37.51 million, representing an increase of 36% or RM9.84 million as compared to RM27.67 million recorded for the preceding quarter. The good performance was mainly due to higher CPO extraction rate in the current quarter.

Total FFB processed has increased by 4% to 422,000 MT as compared to 407,000 MT in the preceding quarter.

Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/10/2024	31/07/2024	
(A) Financial Data:	RM'000	RM'000	
Revenue	446,379	405,936	10%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	87,974	74,153	19%
Profit before interest and tax	77,122	63,532	21%
Profit before tax	76,589	62,954	22%
Profit after tax	57,526	48,348	19%
Profit attributable to ordinary equity holders of the Company	49,964	39,504	26%
(B) Statistics:			
Plantation			
FFB production (MT)	82,057	81,894	0%
FFB yield per hectare (MT/Ha)	5.52	5.39	2%
Average FFB selling price (RM/MT)	798	748	7%
Palm Oil Milling			
CPO production (MT)	87,679	81,406	8%
CPO sold (MT)	88,668	82,812	7%
CPO extraction rate (%)	20.80	20.00	4%
Average CPO selling price (RM/MT)	4,117	3,999	3%

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

B3. Current financial year prospects

The Management forecasts the FFB production for the current financial year ending 31 January 2025 to be about 3 - 5% lower than the quantity achieved in the financial year 2024, after taking into accounts of the lower-than-expected production from the Group's estates in Sabah, especially in the Keningau region, forecasted for the remaining period of the current financial year.

As for palm oil milling operations, the Management expects to achieve a total processing throughput near 1.6 million MT of FFB for the current financial year.

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 4th quarter of the financial year 2025 to stay above RM5,000 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 31/10/2024 RM'000	Financial Year-to-date Ended 31/10/2024 RM'000
Malaysian Income Tax		
- Current year	16,751	49,240
- Under provision in prior year	127	127
	16,878	49,367
Deferred tax		
- Current year	2,185	1,971
	<u>19,063</u>	<u>51,338</u>

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

B6. Status of corporate proposals

Status of corporate proposals not completed as at 24 December 2024:

(a) *Proposed establishment of an Executives' Share Option Scheme ("ESOS")*

- (i) On 22 July 2024, UOB Kay Hian Securities (M) Sdn Bhd ("UOBKH") had, on behalf of the Company, announced that the Company proposed to undertake the proposed establishment of an ESOS involving up to 10% of the total number of issued shares of the Company ("KLR Share(s)" or "Share(s)") (excluding treasury shares, if any) at any point in time during the duration of the ESOS to be granted to the eligible Executive Directors and executives of the Company and its subsidiaries (excluding dormant subsidiaries, if any) ("Proposed ESOS").
- (ii) On 1 August 2024, UOBKH had, on behalf of our Company, announced that Bursa Securities had, vide its letter dated on even date, approved the listing of and quotation for such number of new KLR Shares, representing up to 10% of the total number of issued KLR Shares, to be issued pursuant to the Proposed ESOS, subject to the terms and conditions set out in the letter.
- (iii) The shareholders of the Company approved the Proposed ESOS at the Extraordinary General Meeting held on 6 September 2024.
- (iv) The Company plans to implement the Proposed ESOS on 27 December 2024.

(b) *Proposed Unrated Medium Term Notes (MTN) Programme of up to RM500.0 million in nominal value ("MTN Programme")*

The Company had on 25 July 2024 completed the lodgement of the MTN Programme with the Securities Commission Malaysia ("SC") pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 and revised on 5 February 2024 (as amended from time to time).

The proceeds of the MTN Programme issuance(s) shall be utilised to finance the working capital requirements, capital expenditure and general corporate purposes of the Group.

The MTN is secured by first ranking assignment and charge over the Debt Service Reserve Account ("DSRA") and the credit balances therein.

OCBC Bank (Malaysia) Berhad is the Principal Adviser, Lead Arranger, Lead Manager, Facility Agent and Security Agent for the MTN Programme.

On 27 November 2024, the Company successfully completed its MTN issuance of RM120.0 million in nominal value under the MTN Programme as follows:

Series	Issuance Date	Amount (RM million)	Tenure (year)	Coupon rate (p.a.)
First Series	27 November 2024	50.0	5 years	Cost of funds + 1.00%
Second Series	27 November 2024	70.0	8 years	Cost of funds + 1.00%

The MTN issued has tenure of five (5) years and eight (8) years respectively.

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

B7. Group borrowings and debt securities

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

	As at 31/10/2024 RM'000	As at 31/10/2023 RM'000
Short term borrowings:		
Overdrafts	-	381
Revolving credit	5,000	2,500
Term loans	9,996	9,996
	<u>14,996</u>	<u>12,877</u>
Long term borrowings:		
Term loans	<u>27,993</u>	<u>37,989</u>

- (a) There were no unsecured interest-bearing borrowing as at 31 October 2024.
- (b) The movements in terms loans were due to repayments.
- (c) Weighted average interest rate of borrowings as at 31 October 2024 was 4.77% per annum. There is no borrowing that is based on fixed interest rate.

B8. Material litigation

As at 24 December 2024, there were no material litigations against the Group.

B9. Dividend

On 6 November 2024, the Company declared a special single tier dividend of 5 sen per share in respect of the financial year ending 31 January 2025 and the date of payment of this special single tier dividend was on 17 December 2024.

- (a) (i) amount per share: 5 sen single tier; and
(ii) previous corresponding period: 3 sen single tier per share; and
- (b) total dividend for the current financial year: 10 sen single tier per share.

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

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 31/10/2024	Financial Year-to-date Ended 31/10/2024
Net profit for the period	(RM'000)	49,964	138,984
Weighted average number of ordinary shares in issue	('000)	975,567	974,924
Basic EPS	(sen)	5.12	14.26

Diluted earnings per share (“Diluted EPS”)

The Diluted EPS is calculated by dividing the profit attributable to the owners of the Company for the current quarter and the 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 31/10/2024	Financial Year-to-date Ended 31/10/2024
Net profit for the period	(RM'000)	49,964	138,984
Weighted average number of ordinary shares in issue	('000)	975,567	974,924
Adjustment for dilutive effect of warrants	('000)	1,954	1,852
Adjusted weighted average number of shares for Diluted EPS	('000)	977,521	976,776
Diluted EPS	(sen)	5.11	14.23

B11. Audit qualification

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

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

B12. Profit before tax

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

	Current Quarter Ended 31/10/2024 RM'000	Financial Year-to-date Ended 31/10/2024 RM'000
(a) Interest income	(2,309)	(6,418)
(b) Other income including investment income	(2,155)	(5,723)
(c) Interest expense	533	1,704
(d) Depreciation and amortization	10,852	32,179
(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	232	(2,742)
(k) Net loss/(gain) arising from changes in fair value of biological assets	(474)	(1,502)
(l) Exceptional items	-	-

B13. Derivatives

As at 31 October 2024, the outstanding derivatives contracts entered by the Group are as follows:

<u>Type of Derivatives</u>	Contractual/ Notional Value as at 31/10/2024 RM'000	Fair Value Liabilities as at 31/10/2024 RM'000
CPO Futures contracts - Less than 1 year	12,976	1,003
	<u>12,976</u>	<u>1,003</u>

The outstanding CPO Futures contracts were entered for the purpose of hedging the sales of CPO under the milling operations.

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

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

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

	Current Quarter Ended 31/10/2024 RM'000	Financial Year-to-date Ended 31/10/2024 RM'000
<u>Losses arising from fair value changes of financial liabilities:</u>		
- CPO Futures contracts	<u>1,003</u>	<u>1,000</u>

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

B15. Additional Information

- (a) Receivables

Total receivables as at 31 October 2024 is RM65.23 million of which RM57.91 million is trade in nature with normal trade credit terms of less than 60 days.