

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31/01/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2021 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO-DATE 31/01/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2021 RM'000
Revenue	495,574	253,739	1,701,662	971,677
Cost of sales	<u>(427,470)</u>	<u>(222,698)</u>	<u>(1,434,481)</u>	<u>(796,887)</u>
Gross profit	68,104	31,041	267,181	174,790
Other income	3,465	4,380	12,921	19,406
Operating expenses	(22,317)	(18,036)	(67,500)	(48,636)
Finance costs	<u>(576)</u>	<u>(414)</u>	<u>(1,939)</u>	<u>(1,009)</u>
Profit before tax	48,676	16,971	210,663	144,551
Tax	<u>(7,599)</u>	<u>(2,972)</u>	<u>(42,933)</u>	<u>(33,930)</u>
Profit for the period	<u>41,077</u>	<u>13,999</u>	<u>167,730</u>	<u>110,621</u>
Other comprehensive income:				
Cash flow hedge	1,606	-	(6,752)	-
Tax relating to other comprehensive income	(386)	-	1,620	-
Other comprehensive income for the period, net of tax	1,220	-	(5,132)	-
Total comprehensive income for the period	<u>42,297</u>	<u>13,999</u>	<u>162,598</u>	<u>110,621</u>
Profit for the period attributable to:				
Owners of the Company	31,552	9,996	137,168	94,891
Non-controlling interests	<u>9,525</u>	<u>4,003</u>	<u>30,562</u>	<u>15,730</u>
	<u>41,077</u>	<u>13,999</u>	<u>167,730</u>	<u>110,621</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	32,575	9,996	132,036	94,891
Non-controlling interests	<u>9,722</u>	<u>4,003</u>	<u>30,562</u>	<u>15,730</u>
	<u>42,297</u>	<u>13,999</u>	<u>162,598</u>	<u>110,621</u>
Earnings per share (sen):				
- Basic	3.27	1.07	14.48	10.16
- Diluted	3.26	1.06	14.46	10.15
Dividends per share (sen)	5.00	3.00	14.00	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 2021)

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT QUARTER ENDED 31/01/2022 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	264,944	255,814
Bearer plants	132,985	91,467
Right-of-use assets	337,499	287,375
Investment properties	5,810	5,876
Deferred tax assets	6,044	3,375
Prepayments	3,861	26,030
	751,143	669,937
Current assets		
Inventories	33,754	20,464
Biological assets	5,843	3,181
Receivables	58,812	48,791
Prepayments	2,300	3,145
Tax recoverable	2,629	2,990
Short term funds	102,277	105,868
Cash and bank balances	308,513	232,104
	514,128	416,543
TOTAL ASSETS	<u>1,265,271</u>	<u>1,086,480</u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables and accruals	132,942	69,479
Interest bearing borrowings (secured)	10,885	11,688
Dividend payable	38,616	28,008
Derivatives	8,235	-
Tax payable	7,680	5,483
	198,358	114,658
Net current assets	<u>315,770</u>	<u>301,885</u>
Non-current liabilities		
Interest bearing borrowings (secured)	55,482	37,620
Deferred tax liabilities	91,318	90,044
	146,800	127,664
Total liabilities	<u>345,158</u>	<u>242,322</u>
Net assets	<u>920,113</u>	<u>844,158</u>
Equity attributable to owners of the Company		
Share capital	362,965	318,437
Reserves	449,052	432,463
Treasury shares	(1,626)	(1,626)
	810,391	749,274
Non-controlling interests	109,722	94,884
Total equity	<u>920,113</u>	<u>844,158</u>
TOTAL EQUITY AND LIABILITIES	<u>1,265,271</u>	<u>1,086,480</u>
Net assets per share (RM)	0.84	0.80

(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 2021)

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
Year ended						
<u>31 January 2022</u>						
Balance as at 1 February 2021	318,437	-	432,463	(1,626)	749,274	94,884
Profit or loss	-	-	137,168	-	137,168	30,562
Other comprehensive income	-	(5,132)	-	-	(5,132)	-
Total comprehensive income for the year	-	(5,132)	137,168	-	132,036	30,562
Dividends	-	-	(115,447)	-	(115,447)	(15,724)
Issuance of shares arising from exercise of Warrants	44,528	-	-	-	44,528	-
Total for transactions with owners	44,528	-	(115,447)	-	(70,919)	(15,724)
Balance as at 31 January 2022	<u>362,965</u>	<u>(5,132)</u>	<u>454,184</u>	<u>(1,626)</u>	<u>810,391</u>	<u>109,722</u>
Year ended						
<u>31 January 2021</u>						
Balance as at 1 February 2020	318,433	-	402,925	(1,626)	719,732	87,294
Profit or loss	-	-	94,891	-	94,891	15,730
Total comprehensive income for the year	-	-	94,891	-	94,891	15,730
Dividends	-	-	(65,353)	-	(65,353)	(8,140)
Issuance of shares arising from exercise of Warrants	4	-	-	-	4	-
Total for transactions with owners	4	-	(65,353)	-	(65,349)	(8,140)
Balance as at 31 January 2021	<u>318,437</u>	<u>-</u>	<u>432,463</u>	<u>(1,626)</u>	<u>749,274</u>	<u>94,884</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 2021)

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31/01/2022 RM'000	Year ended 31/01/2021 RM'000
Operating activities		
Cash receipts from customers	1,688,148	974,234
Rental received	288	189
Interest received	5,440	6,886
Cash paid to suppliers and employees	(1,426,252)	(795,760)
Cash generated from operations	267,624	185,549
Interest paid	(1,940)	(980)
Tax paid	(40,149)	(26,690)
Net cash from operating activities	225,535	157,879
Investing activities		
Fixed deposits	(11)	(16)
Government grant received	-	2,246
Proceeds from disposal of property, plant and equipment	735	19
Acquisition of property, plant and equipment, bearer plants and right-of-use assets	(99,075)	(55,091)
Net proceeds from compulsory acquisition	2,978	-
Net withdrawal from/(investments in) short term funds	4,702	(10,685)
Sundry advances	(258)	(600)
Net cash used in investing activities	(90,929)	(64,127)
Financing activities		
Proceeds from issuance of shares	44,528	4
Drawdown of bank borrowings	30,000	40,000
Repayments of bank borrowings	(12,092)	(4,020)
Dividends paid to shareholders of the Company	(104,839)	(37,345)
Dividends paid to non-controlling interests in subsidiary companies	(14,956)	(8,140)
Net cash used in financing activities	(57,359)	(9,501)
Net increase in cash and cash equivalents	77,247	84,251
Cash and cash equivalents at beginning of year	230,258	145,880
Effect of exchange rate changes on cash and cash equivalents	-	127
Cash and cash equivalents at end of year (Note a)	307,505	230,258
Note a : Cash and cash equivalents at end of year		
Cash on hand and cash in banks	172,894	122,496
Deposits with licensed banks	135,619	109,608
Cash and bank balances	308,513	232,104
Less: Bank overdrafts	(389)	(1,238)
Less: Fixed deposit pledged	(619)	(608)
Cash and cash equivalents	307,505	230,258

(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 2021)

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 2021. 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 2021.

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 2021 except for the adoption of the following amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2021:

Covid-19 – Related Rent Concessions (Amendments to MFRS 16 Leases)
Extension of the Temporary Exemption from Applying MFRS 9
(Amendments to MFRS 4 Insurance Contracts)
Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The adoption of these amendments 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 were issued but not yet effective for the financial year ended 31 January 2022:

	Effective for financial periods beginning on or after
Covid-19 – Related Rent Concessions beyond 30 June 2021 (Amendments to MFRS 16 Leases)	1 April 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
MFRS 17 and Amendments to MFRS 17 Insurance Contracts	1 January 2023
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)	1 January 2023

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

Amendments to MFRS 10 and MFRS128: 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.

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 previous year records, the production of Fresh Fruit Bunches (“FFB”) from our mature estates was peak during the second quarter of each year and gradually declined from the third quarter to the fourth quarter.

The Group’s FFB production for the current quarter was 67,500 MT which was 4% lower than production recorded in the preceding quarter. The Group’s FFB production records have shown significant recovery from the very low record in February 2021, remained steady in the second and third quarters and declined gradually in the fourth quarter. The Group’s average FFB yield (MT/Ha) trend for the current year-to-date was broadly in line with the preceding year.

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 2022 except for issuance of 31,805,588 new ordinary shares pursuant to exercise of 31,805,588 Warrants.

As at 31 January 2022, the Company held as treasury shares a total of 1,806,000 of its 967,221,320 issued ordinary shares.

The outstanding unexercised number of Warrants as at 31 January 2022 was 14,869,622.

A6. Dividends paid

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

- (a) A special single tier dividend of 3 sen per ordinary share in respect of the financial year 2021 was paid on 22 February 2021;
- (b) Final single tier dividend of 3 sen per ordinary share in respect of the financial year 2021 was paid on 30 August 2021; and

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

- (c) An interim single tier dividend of 5 sen per ordinary share in respect of the financial year 2022 was paid on 18 November 2021.

A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	Year ended		Year ended	
	31/01/2022	31/01/2021	31/01/2022	31/01/2021
	RM'000	RM'000	RM'000	RM'000
Plantation operations	213,271	143,143	120,326	71,147
Milling operations	1,663,794	945,308	96,452	73,766
	1,877,065	1,088,451	216,778	144,913
Add/(Less): Inter-segment adjustments and eliminations	(175,403)	(116,774)	(1,537)	561
	<u>1,701,662</u>	<u>971,677</u>	215,241	145,474
Add/(Less): Unallocated expenses			(8,088)	(8,396)
Finance income			5,449	8,482
Finance costs			(1,939)	(1,009)
Profit before tax			210,663	144,551
Tax expenses			(42,933)	(33,930)
Profit for the year			<u>167,730</u>	<u>110,621</u>

A8. Material subsequent events

As at 24 March 2022, 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 2021.

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 achieved a record high revenue and profit before tax (“PBT”) at RM1.70 billion and RM210.66 million respectively for the financial year ended 31 January 2022, as compared to RM971.68 million and RM145.55 million respectively for the corresponding period last year. The remarkable performance for the current financial year-to-date was mainly due to higher average selling prices of FFB and CPO by 60% and 63% respectively. On the other hand, FFB production was lower by 4% whilst the CPO production had increased by 11%. Further information and statistics are tabulated below:

	Individual Period (4 th quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/01/2022	31/01/2021		31/01/2022	31/01/2021	
(A) Financial Data:	RM'000	RM'000		RM'000	RM'000	
Revenue	495,574	253,739	95%	1,701,662	971,677	75%
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	58,742	27,156	116%	248,481	180,511	38%
Profit before interest and tax	49,252	17,385	183%	212,602	145,560	46%
Profit before tax	48,676	16,971	187%	210,663	144,551	46%
Profit after tax	41,077	13,999	193%	167,730	110,621	52%
Profit attributable to ordinary equity holders of the Company	31,552	9,996	216%	137,168	94,891	45%
(B) Statistics:						
Plantation						
FFB production (MT)	67,526	56,355	20%	265,037	276,634	(4%)
FFB yield per hectare (MT/Ha)	5.20	4.74	10%	20.59	22.41	(8%)
Average FFB selling price (RM/MT)	930	718	30%	832	520	60%
Palm Oil Milling						
CPO production (MT)	78,704	56,274	40%	311,752	280,493	11%
CPO sold (MT)	77,963	60,591	29%	312,134	292,053	7%
CPO extraction rate (%)	21.14	20.95	1%	21.04	21.14	(0%)
Average CPO price (RM/MT)	5,118	3,464	48%	4,488	2,755	63%

As at 31 January 2022, the Group’s total planted area (excluding land for infrastructure, unplanted land and area under development) is 15,939 hectares. The age profile of planted area can be analysed as follows:

- a) < 3 years (Immature): 18%
- b) 3 – 6 years (Young mature): 7%
- c) 7 – 15 years (Prime mature): 29%
- d) 16 – 20 years (Old mature): 19%
- e) > 20 years (Pre-replanting): 27%

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

During the current year to-date, the Group took physical possession of about 1,100 hectares estate land of which about 1,040 hectares are planted with mature oil palms in February 2021. The Group has also carried out replanting of about 520 hectares.

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

	Individual Period (4 th quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/01/2022	31/01/2021		31/01/2022	31/01/2021	
Revenue:	RM'000	RM'000		RM'000	RM'000	
Plantation	60,043	39,854	51%	213,271	143,143	49%
Milling	485,550	245,789	98%	1,663,794	945,308	76%
	545,593	285,643	91%	1,877,065	1,088,451	72%
Results:						
Plantation	35,933	24,584	46%	120,326	71,147	69%
Milling	21,302	(3,198)	nm	96,452	73,766	31%
	57,235	21,386	168%	216,778	144,913	50%

nm = not meaningful.

Plantation operations

The higher revenue and profit for the current quarter and the year-to-date as compared to the corresponding periods last year were mainly due to higher average FFB selling price by 30% and 60% respectively. As a result of higher production and selling price, the profit for the current quarter was RM35.93 million representing a 46% increase as compared to the corresponding period last year. For the year-to-date, the profit achieved was RM120.33 million which was 69% higher than the preceding year.

The Group's FFB production in the current year has dropped 4% as compared to the preceding year and amongst the estates within the Group, the estates in Keningau, Sabah have suffered a significant drop of 36,000 MT in FFB production in the current year, representing a 25% drop in production yield per hectare as compared to the preceding year mainly due to seasonal factor and a relatively higher-than-expected yield achieved in the preceding year corresponding period. Replanting activity and newly mature area are also contributing factors towards a lower production volume and yield.

On a positive note, the estate which the Group took over physical possession in February 2021 has contributed about 26,000 MT in 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 higher revenue from the milling operations for the current quarter and the year-to-date as compared to the corresponding periods last year was contributed by higher sales volume and average CPO selling price.

The market condition and demand for the Group's milling products has been good and steady for the current quarter and year-to-date.

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

The profit achieved for the current quarter was RM21.30 million as compared to a loss of RM3.20 million suffered in previous year corresponding quarter. Increase in profit was mainly due to better processing margin contributed by higher volume of production and uptrend of CPO price. As for the current year-to-date, the profit of RM96.45 million was 46% higher than RM66.15 million (excluding insurance compensation of RM7.62 million for the fire incident in June 2019) for the corresponding period last year.

The revenue generated from supplying power to TNB grid from our biogas plant for the current year-to-date was RM5.20 million as compared to RM5.13 million in the previous year corresponding period.

Although there are COVID-19 cases reported in operations of the Group, the Group's operations have not been significantly affected and have been running largely as usual during the current period.

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

The PBT for the current quarter was RM48.68 million which was 21% lower than RM61.30 million achieved in the preceding quarter ended 31 October 2021.

With higher average FFB selling price, the profit from plantation operations has improved by 69% or RM14.70 million to RM35.93 million as compared to RM21.23 million in the preceding quarter. Lower profit in preceding quarter was mainly due to a fair value loss of RM14.07 million arising from fair value changes in commodity derivatives recognised as other expenses in that quarter.

For the milling operations, lower FFB throughput and lower oil extraction rate were recorded in the current quarter, hence the profit from milling operations have dropped by 45% or RM17.50 million as compared to RM38.80 million recorded for the preceding quarter.

Total FFB processed has declined by 11% to 372,000 MT as compared to 420,000 MT in the preceding quarter.

Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/01/2022	31/10/2021	
(A) Financial Data:	RM'000	RM'000	
Revenue	495,574	492,804	1%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	58,742	71,358	(18%)
Profit before interest and tax	49,252	61,894	(20%)
Profit before tax	48,676	61,298	(21%)
Profit after tax	41,077	49,819	(18%)
Profit attributable to ordinary equity holders of the Company	31,552	41,087	(23%)
(B) Statistics:			
Plantation			
FFB production (MT)	67,526	70,332	(4%)
FFB yield per hectare (MT/Ha)	5.20	5.32	(2%)
Average FFB selling price (RM/MT)	930	814	14%
Palm Oil Milling			
CPO production (MT)	78,704	89,541	(12%)
CPO sold (MT)	77,963	88,679	(12%)
CPO oil extraction rate (%)	21.14	21.35	(1%)
Average CPO price (RM/MT)	5,118	4,630	11%

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

B3. Current financial year prospects

The management forecasts the FFB production for the financial year ending 31 January 2023 could be 15% higher than the quantity achieved in the financial year 2022 if the labour shortage problem do not deteriorate further.

As for palm oil milling operations, the management expects a total processing quantity of about 1.50 million MT of FFB for the current financial year which is close to the financial year 2022. We also expect our biogas plants at Keningau and Telupid to commence operations to supply power to grid by end of second quarter of the financial year 2023.

The recent development and vaccination progress worldwide as well as in the country has given direction that the COVID-19 pandemic is transiting to endemic phase. Nevertheless, the management will still remain vigilant and resilient on dealing with challenges and any potential adverse impact arising from the COVID-19 pandemic on the operations of the Group.

With impact arising from the drought weather conditions in South American for the past few months and Russian's military aggression in Ukraine since February 2022, the prices of many commodities and vegetable oils have surged to a very high level. Under a volatile market condition, CPO price also jumped to its unprecedented level above RM8,000 per MT early March 2022. The CPO price has been traded in a very volatile manner recently and the movement of CPO price has become highly unpredictable, hence the Group will continue to monitor the impact of volatile pricing on the performance of the Group.

The management expects the average CPO price for first half of the year to remain above RM5,000 per MT and is of the view that the Group could benefit from the current level of CPO price especially the plantation operations. Having said that, the Group also faces challenges such as significant surge in cost of fertiliser likely caused by high international shipping costs as well as the warfare between Russia and Ukraine, and labour shortage.

Based on the above, we expect the Group to perform well for the financial year 2023.

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

This is not applicable.

B5. Income tax

	Current Quarter Ended 31/01/2022 RM'000	Financial Year-to-date Ended 31/01/2022 RM'000
Malaysian Income Tax		
- Current year	9,928	44,071
- Overprovision in prior year	(983)	(1,364)
	8,945	42,707
Deferred tax		
- Current year	(1,676)	(104)
- Underprovision of liabilities in prior year	256	256
- Overprovision of assets in prior year	74	74
	(1,346)	226
	<u>7,599</u>	<u>42,933</u>

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

The effective tax rates for the current quarter and year-to-date are lower than statutory income tax rate mainly due to recognition of deferred tax assets on unutilised investment tax allowances and unused tax losses brought forward not previously recognised.

B6. Status of corporate proposals

There is no outstanding corporate proposal as at 24 March 2022.

B7. Group borrowings and debt securities

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

	As at 31/01/2022 RM'000	As at 31/01/2021 RM'000
Short term borrowings:		
Overdrafts	389	1,238
Revolving credit	500	7,500
Term loans	9,996	2,950
	<u>10,885</u>	<u>11,688</u>
Long term borrowings:		
Term loans	<u>55,482</u>	<u>37,620</u>

- (a) There were no unsecured interest bearing borrowing as at 31 January 2022.
- (b) The Group has drawn down a term loan of RM30 million from a licensed bank during the current year-to-date. Other movements in revolving credit and terms loans were due to repayments.
- (c) Weighted average interest rate of borrowings as at 31 January 2022 was 3.37%. There is no borrowing that is based on fixed interest rate.

B8. Material litigation

As at 24 March 2022, there were no material litigations against the Group.

B9. Dividend

The Board is pleased to propose a final single tier dividend of 5 sen per share in respect of the financial year ended 31 January 2022 subject to shareholders' approval at the forthcoming 47th Annual General Meeting.

- (a) (i) amount per share: 5 sen single tier;
(ii) previous corresponding period: 3 sen single tier per share;
(iii) date of payment: 29 August 2022; and
(iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of the depositors as at 12 August 2022; and
- (b) total dividend for the current financial year: 14 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 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 31/01/2022	Financial Year-to-date Ended 31/01/2022
Net profit for the period/year	(RM'000)	31,552	137,168
Weighted average number of ordinary shares in issue	('000)	964,749	947,227
Basic EPS	(sen)	3.27	14.48

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 31/01/2022	Financial Year-to-date Ended 31/01/2022
Net profit for the period/year	(RM'000)	31,552	137,168
Weighted average number of ordinary shares in issue	('000)	964,749	947,227
Adjustment for dilutive effect of warrants	('000)	2,020	1,174
Adjusted weighted average number of shares for Diluted EPS	('000)	966,769	948,401
Diluted EPS	(sen)	3.26	14.46

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 31/01/2022 RM'000	Financial Year-to-date Ended 31/01/2022 RM'000
(a) Interest income	(1,370)	(5,449)
(b) Other income including investment income	(2,260)	(4,810)
(c) Interest expense	576	1,939
(d) Depreciation and amortization	9,490	35,879
(e) Provision for and write off of receivables	1,266	1,273
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investment or properties	-	-
(h) Provision for/(Reversal of) impairment of assets	-	-
(i) Foreign exchange (gain)/loss	-	-
(j) (Gain) or loss on derivatives	156	14,567
(k) Net loss/(gain) arising from changes in fair value of biological assets	165	(2,662)
(l) Exceptional items	-	-

B13. Derivatives

The Group has entered into the following derivative instruments which are outstanding as at 31 January 2022:

Type of Derivatives	Contractual/ Notional Value as at 31/01/2022 RM'000	Fair Value Liabilities as at 31/01/2022 RM'000
CPO SWAP contracts		
- Less than 1 year	35,760	8,235
	<u>35,760</u>	<u>8,235</u>

The CPO Futures contracts and SWAP contracts entered are for the purpose of hedging the selling price of FFB produce under the plantation 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

	Fair value (gains)/losses	
	Current Quarter Ended 31/01/2022 RM'000	Financial Year-to-date Ended 31/01/2022 RM'000
<u>Type of financial liabilities:</u>		
- CPO Futures contracts	(1,513)	17,189
- CPO SWAP contracts	5,042	17,389
	3,529	34,578

- (a) The fair value gains/losses were arising from the transactions under the CPO Futures contracts and SWAP contracts.
- (b) The fair value gains/losses were caused by favourable/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 31 January 2022 is RM58.81 million of which RM53.12 million is trade in nature with normal trade credit terms of less than 60 days.