

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2021 RM'000	CURRENT YEAR TO-DATE 30/04/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2021 RM'000
Revenue	509,740	312,451	509,740	312,451
Cost of sales	<u>(439,509)</u>	<u>(263,673)</u>	<u>(439,509)</u>	<u>(263,673)</u>
Gross profit	70,231	48,778	70,231	48,778
Other income	6,701	4,878	6,701	4,878
Operating expenses	(10,692)	(9,549)	(10,692)	(9,549)
Finance costs	<u>(569)</u>	<u>(386)</u>	<u>(569)</u>	<u>(386)</u>
Profit before tax	65,671	43,721	65,671	43,721
Tax	<u>(14,442)</u>	<u>(10,129)</u>	<u>(14,442)</u>	<u>(10,129)</u>
Profit for the period	<u>51,229</u>	<u>33,592</u>	<u>51,229</u>	<u>33,592</u>
Other comprehensive income:				
Net movement on cash flow hedge	80	(2,416)	80	(2,416)
Tax relating to other comprehensive income	(19)	580	(19)	580
Other comprehensive income for the period, net of tax	61	(1,836)	61	(1,836)
Total comprehensive income for the period	<u>51,290</u>	<u>31,756</u>	<u>51,290</u>	<u>31,756</u>
Profit for the period attributable to:				
Owners of the Company	39,228	28,383	39,228	28,383
Non-controlling interests	<u>12,001</u>	<u>5,209</u>	<u>12,001</u>	<u>5,209</u>
	<u>51,229</u>	<u>33,592</u>	<u>51,229</u>	<u>33,592</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	39,289	26,533	39,289	26,533
Non-controlling interests	<u>12,001</u>	<u>5,223</u>	<u>12,001</u>	<u>5,223</u>
	<u>51,290</u>	<u>31,756</u>	<u>51,290</u>	<u>31,756</u>
Earnings per share (sen):				
- Basic	4.06	3.04	4.06	3.04
- Diluted	4.05	3.03	4.05	3.03
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 2022)

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT QUARTER ENDED 30/04/2022 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	265,779	264,944
Bearer plants	132,939	132,985
Right-of-use assets	336,037	337,499
Investment properties	5,794	5,810
Deferred tax assets	5,902	6,044
Prepayments	2,771	3,439
	<u>749,222</u>	<u>750,721</u>
Current assets		
Inventories	41,463	33,422
Biological assets	7,334	5,843
Receivables	71,064	58,216
Prepayments	2,309	2,722
Tax recoverable	3,457	2,629
Short term funds	103,498	102,277
Cash and bank balances	307,040	308,513
	<u>536,165</u>	<u>513,622</u>
TOTAL ASSETS	<u><u>1,285,387</u></u>	<u><u>1,264,343</u></u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables and accruals	137,237	132,346
Interest bearing borrowings (secured)	13,908	10,885
Dividend payable	-	38,617
Derivatives	3,287	8,235
Tax payable	14,771	8,035
	<u>169,203</u>	<u>198,118</u>
Net current assets	<u>366,962</u>	<u>315,504</u>
Non-current liabilities		
Interest bearing borrowings (secured)	52,983	55,482
Deferred tax liabilities	92,407	91,318
	<u>145,390</u>	<u>146,800</u>
Total liabilities	<u>314,593</u>	<u>344,918</u>
Net assets	<u>970,794</u>	<u>919,425</u>
Equity attributable to owners of the Company		
Share capital	369,395	369,304
Reserves	481,402	442,125
Treasury shares	(1,626)	(1,626)
	<u>849,171</u>	<u>809,803</u>
Non-controlling interests	121,623	109,622
Total equity	<u>970,794</u>	<u>919,425</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,285,387</u></u>	<u><u>1,264,343</u></u>
Net assets per share (RM)	0.88	0.84

(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 2022)

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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
3 months ended <u>30 April 2022</u>						
Balance as at 1 February 2022	369,305	(5,132)	447,256	(1,626)	809,803	109,622
Profit or loss	-	-	39,228	-	39,228	12,001
Other comprehensive income	-	61	-	-	61	-
Total comprehensive income for the period	-	61	39,228	-	39,289	12,001
Issuance of shares arising from exercise of Warrants	90	-	(11)	-	79	-
Total for transactions with owners	90	-	(11)	-	79	-
Balance as at 30 April 2022	<u>369,395</u>	<u>(5,071)</u>	<u>486,473</u>	<u>(1,626)</u>	<u>849,171</u>	<u>121,623</u>
3 months ended <u>30 April 2021</u>						
Balance as at 1 February 2021	318,437	-	432,463	(1,626)	749,274	94,884
Profit or loss	-	-	28,383	-	28,383	5,209
Other comprehensive income	-	(1,850)	-	-	(1,850)	14
Total comprehensive income for the period	-	(1,850)	28,383	-	26,533	5,223
Dividends	-	-	-	-	-	(1,580)
Total for transactions with owners	-	-	-	-	-	(1,580)
Balance as at 30 April 2021	<u>318,437</u>	<u>(1,850)</u>	<u>460,846</u>	<u>(1,626)</u>	<u>775,807</u>	<u>98,527</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 2022)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30/04/2022 RM'000	3 months ended 30/04/2021 RM'000
Operating activities		
Cash receipts from customers	497,563	294,935
Rental received	87	58
Interest received	2,989	1,120
Cash paid to suppliers and employees	(430,735)	(258,827)
Cash generated from operations	69,904	37,286
Interest paid	(572)	(398)
Tax paid	(7,325)	(6,197)
Net cash from operating activities	<u>62,007</u>	<u>30,691</u>
Investing activities		
Fixed deposits	(3)	(3)
Proceeds from disposal of property, plant and equipment	75	511
Acquisition of property, plant and equipment, bearer plants and right-of-use assets	(25,351)	(66,750)
Net proceeds from compulsory acquisition	-	2,978
Net withdrawal from/(investments in) short term funds	(190)	(420)
Net cash used in investing activities	<u>(25,469)</u>	<u>(63,684)</u>
Financing activities		
Proceeds from issuance of shares	79	-
Drawdown of bank borrowings	5,000	-
Repayments of bank borrowings	(4,499)	(3,570)
Dividends paid to shareholders of the Company	(38,617)	(28,008)
Dividends paid to non-controlling interests in subsidiary companies	-	(1,580)
Net cash used in financing activities	<u>(38,037)</u>	<u>(33,158)</u>
Net decrease in cash and cash equivalents	(1,499)	(66,151)
Cash and cash equivalents at beginning of period	307,505	230,258
Cash and cash equivalents at end of period (Note a)	<u><u>306,006</u></u>	<u><u>164,107</u></u>
Note a : Cash and cash equivalents at end of period		
Cash on hand and cash in banks	165,418	69,544
Deposits with licensed banks	141,622	95,610
Cash and bank balances	<u>307,040</u>	<u>165,154</u>
Less: Bank overdrafts	(412)	(437)
Less: Fixed deposit pledged	(622)	(610)
Cash and cash equivalents	<u><u>306,006</u></u>	<u><u>164,107</u></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 2022)

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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 2022. 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 2022.

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 2022 except for the adoption of the following amended MFRSs and Annual Improvements which are mandatory for annual financial periods beginning on or after 1 January 2022:

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

The adoption of these Amendments and Annual Improvements 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 ended 31 January 2023:

	Effective for financial periods beginning on or after
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
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 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 61,100 MT which was 10% lower than production recorded in the preceding 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 first quarter ended 30 April 2022 except for issuance of 56,731 new ordinary shares pursuant to exercise of 56,731 Warrants.

As at 30 April 2022, the Company held as treasury shares a total of 1,806,000 of its 967,278,051 issued ordinary shares.

The outstanding unexercised number of Warrants as at 30 April 2022 was 14,812,891.

A6. Dividends paid

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

- (a) A special single tier dividend of 4 sen per ordinary share in respect of the financial year 2022 was paid on 17 February 2022.

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A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	3 months ended		3 months ended	
	30/04/2022	30/04/2021	30/04/2022	30/04/2021
	RM'000	RM'000	RM'000	RM'000
Plantation operations	77,074	44,890	53,864	29,581
Milling operations	498,587	304,728	11,147	13,918
	575,661	349,618	65,011	43,499
Add/(Less):				
Inter-segment adjustments and eliminations	(65,921)	(37,167)	367	(153)
	<u>509,740</u>	<u>312,451</u>	65,378	43,346
Add/(Less):				
Unallocated expenses			(361)	(441)
Finance income			1,223	1,202
Finance costs			(569)	(386)
Profit before tax			65,671	43,721
Tax expenses			(14,442)	(10,129)
Profit for the period			<u>51,229</u>	<u>33,592</u>

A8. Material subsequent events

As at 24 June 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 2022.

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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 achieved a higher revenue and profit before tax (“PBT”) at RM509.74 million and RM65.67 million respectively for the current quarter ended 30 April 2022, as compared to RM312.45 million and RM43.72 million respectively for the corresponding period last year. The good performance for the current financial year-to-date was mainly due to higher average selling prices of FFB and CPO by 56% and 58% respectively. On the other hand, FFB production was higher by 7% whilst the CPO production had also increased by 2%. 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 (%)
	30/04/2022	30/04/2021		30/04/2022	30/04/2021	
(A) Financial Data:	RM'000	RM'000		RM'000	RM'000	
Revenue	509,740	312,451	63%	509,740	312,451	63%
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	75,784	52,253	45%	75,784	52,253	45%
Profit before interest and tax	66,240	44,107	50%	66,240	44,107	50%
Profit before tax	65,671	43,721	50%	65,671	43,721	50%
Profit after tax	51,229	33,592	53%	51,229	33,592	53%
Profit attributable to ordinary equity holders of the Company	39,228	28,383	38%	39,228	28,383	38%
(B) Statistics:						
Plantation						
FFB production (MT)	61,075	56,920	7%	61,075	56,920	7%
FFB yield per hectare (MT/Ha)	4.64	4.49	3%	4.64	4.49	3%
Average FFB selling price (RM/MT)	1,262	808	56%	1,262	808	56%
Palm Oil Milling						
CPO production (MT)	64,861	63,777	2%	64,861	63,777	2%
CPO sold (MT)	66,510	64,646	3%	66,510	64,646	3%
CPO extraction rate (%)	20.69	20.86	(1%)	20.69	20.86	(1%)
Average CPO price (RM/MT)	6,309	3,991	58%	6,309	3,991	58%

As at 30 April 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): 17%
- b) 3 – 6 years (Young mature): 8%
- c) 7 – 15 years (Prime mature): 29%
- d) 16 – 20 years (Old mature): 19%
- e) > 20 years (Pre-replanting): 27%

There was no replanting carried out 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 (%)
	30/04/2022	30/04/2021		30/04/2022	30/04/2021	
Revenue:	RM'000	RM'000		RM'000	RM'000	
Plantation	77,074	44,890	72%	77,074	44,890	72%
Milling	498,587	304,728	64%	498,587	304,728	64%
	575,661	349,618	65%	575,661	349,618	65%
Results:						
Plantation	53,864	29,581	82%	53,864	29,581	82%
Milling	11,147	13,918	(20%)	11,147	13,918	(20%)
	65,011	43,499	49%	65,011	43,499	49%

Plantation operations

The higher revenue and profit for the current quarter and the year-to-date as compared to the corresponding period last year were mainly due to higher FFB production and average FFB selling price by 7% and 56% 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 higher revenue from the milling operations for the current quarter and the year-to-date as compared to the corresponding period last year was mainly due to higher average CPO selling price by 58%.

The profit from milling operations dropped by 20% to RM11.15 million mainly due to lower processing margin as a result of lower oil extraction rate achieved. Lower oil extraction rate during the current quarter was likely due to impact arising from excessive rainfall in the regions causing poorer quality of FFB received.

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 TNB grid from our biogas plant for the current quarter was RM1.23 million which was 25% lower than RM1.64 million 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 RM65.67 million which was 36% higher than RM48.34 million achieved in the preceding quarter ended 31 January 2022 mainly contributed by the plantation operation due to higher average FFB selling price by 36%.

With a higher FFB selling price despite a 10% lower production, the profit from plantation operations jumped by 50% or RM17.93 million to RM53.86 million as compared to RM35.93 million in the preceding quarter.

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For the milling operations, lower FFB throughput and lower oil extraction rate were recorded in the current quarter, hence the profit from milling operations has declined to RM11.15 million, representing a 47% or RM9.82 million drop as compared to RM20.97 million recorded for the preceding quarter.

Total FFB processed has declined by 16% to 313,000 MT as compared to 372,000 MT in the preceding quarter.

Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30/04/2022	31/01/2022	
(A) Financial Data:			
	RM'000	RM'000	
Revenue	509,740	496,628	3%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	75,784	58,410	30%
Profit before interest and tax	66,240	48,920	35%
Profit before tax	65,671	48,344	36%
Profit after tax	51,229	40,389	27%
Profit attributable to ordinary equity holders of the Company	39,228	30,964	27%
(B) Statistics:			
Plantation			
FFB production (MT)	61,075	67,526	(10%)
FFB yield per hectare (MT/Ha)	4.64	5.20	(11%)
Average FFB selling price (RM/MT)	1,262	930	36%
Palm Oil Milling			
CPO production (MT)	64,861	78,704	(18%)
CPO sold (MT)	66,510	77,963	(15%)
CPO oil extraction rate (%)	20.69	21.14	(2%)
Average CPO price (RM/MT)	6,309	5,118	23%

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 does 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 in the second half 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.

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With impact arising from the drought weather conditions in South America and Canada for the past few months, Russia/Ukraine conflict since February 2022 as well as the export restriction policy of Indonesia, the disruption of supply of many commodities has caused surge in prices of commodities as well as vegetable oils have surged to a very high level. Under such volatile market conditions, CPO price has also jumped to an unprecedented level above RM8,000 per MT in early March 2022 and then stabilised at above RM6,000 per MT level. 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 the first half of the financial year 2023 to remain above RM6,000 per MT and is of the view that the Group could benefit significantly 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 belligerence between Russia and Ukraine, and higher labour costs as a result of shortage of foreign workers and the revised minimum wages effective from May 2022.

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 30/04/2022 RM'000	Financial Year-to-date Ended 30/04/2022 RM'000
Malaysian Income Tax		
- Current year	13,232	13,232
Deferred tax		
- Current year	1,210	1,210
	<u>14,442</u>	<u>14,442</u>

The effective tax rate for the current quarter and year-to-date is lower than statutory income tax rate mainly due to expected utilisation of unused tax losses brought forward not previously recognised for deferred tax assets.

B6. Status of corporate proposals

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

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B7. Group borrowings and debt securities

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

	As at 30/04/2022 RM'000	As at 30/04/2021 RM'000
Short term borrowings:		
Overdrafts	412	437
Revolving credit	3,500	4,500
Term loans	9,996	3,808
	<u>13,908</u>	<u>8,745</u>
Long term borrowings:		
Term loans	<u>52,983</u>	<u>36,192</u>

- (a) There were no unsecured interest bearing borrowing as at 30 April 2022.
- (b) Since 30 April 2021, the Group has drawn down a term loan of RM30 million and revolving credit of RM5 million during the previous financial year and current year-to-date respectively. Other movements in revolving credit and terms loans were due to repayments.
- (c) Weighted average interest rate of borrowings as at 30 April 2022 was 3.37%. There is no borrowing that is based on fixed interest rate.

B8. Material litigation

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

B9. Dividend

No dividend has been declared or proposed for the current financial period ended 30 April 2022 and previous year corresponding period ended 30 April 2021.

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 30/04/2022	Financial Year-to-date Ended 30/04/2022
Net profit for the period	(RM'000)	<u>39,228</u>	<u>39,228</u>
Weighted average number of ordinary shares in issue	('000)	<u>965,440</u>	<u>965,440</u>
Basic EPS	(sen)	<u>4.06</u>	<u>4.06</u>

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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 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 30/04/2022	Financial Year-to-date Ended 30/04/2022
Net profit for the period	(RM'000)	39,228	39,228
Weighted average number of ordinary shares in issue	('000)	965,440	965,440
Adjustment for dilutive effect of warrants	('000)	2,848	2,848
Adjusted weighted average number of shares for Diluted EPS	('000)	968,288	968,228
Diluted EPS	(sen)	4.05	4.05

B11. Profit before tax

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

	Current Quarter Ended 30/04/2022 RM'000	Financial Year-to-date Ended 30/04/2022 RM'000
(a) Interest income	(1,223)	(1,223)
(b) Other income including investment income	(3,987)	(3,987)
(c) Interest expense	569	569
(d) Depreciation and amortization	9,544	9,544
(e) Provision for and write off of receivables	220	220
(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	570	570
(k) Net loss/(gain) arising from changes in fair value of biological assets	(1,491)	(1,491)
(l) Exceptional items	-	-

B12. Audit qualification

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

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B13. Derivatives

The Group has entered into the following derivative instruments which are outstanding as at 30 April 2022:

Type of Derivatives	Contractual/ Notional Value as at 30/04/2022 RM'000	Fair Value Liabilities as at 30/04/2022 RM'000
CPO SWAP contracts		
- Less than 1 year	3,588	3,195
CPO Futures contracts		
- Less than 1 year	7,258	92
	<u>10,846</u>	<u>3,287</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.

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

	Current Quarter Ended 30/04/2022 RM'000	Financial Year-to-date Ended 30/04/2022 RM'000
<u>Fair value (gains)/losses arising from:</u>		
- CPO Futures contracts	766	766
- CPO SWAP contracts	<u>6,283</u>	<u>6,283</u>
	7,049	7,049
Less: amount recognised as effective hedge	(6,479)	(6,479)
Amount recognised as other expenses in profit or loss	<u>570</u>	<u>570</u>

- (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:
- the difference of contract value upon closure or settlement of contracts; and
 - the difference in value of outstanding contracts by reference to mark-to-market value and/or closing price quoted at the end of reporting period.

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B15. Additional Information

(a) Receivables

Total receivables as at 30 April 2022 is RM71.06 million of which RM61.95 million is trade in nature with normal trade credit terms of less than 60 days.