

KIM LOONG RESOURCES BERHAD

(Registration No. 197501000991 (22703-K))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31/07/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2023 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO-DATE 31/07/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2023 RM'000
Revenue	405,936	385,607	794,322	712,293
Cost of sales	<u>(333,170)</u>	<u>(313,329)</u>	<u>(641,122)</u>	<u>(580,771)</u>
Gross profit	72,766	72,278	153,200	131,522
Other income	3,812	5,362	11,668	9,536
Operating expenses	(13,046)	(10,441)	(24,412)	(22,599)
Finance costs	<u>(578)</u>	<u>(637)</u>	<u>(1,171)</u>	<u>(1,256)</u>
Profit before tax	62,954	66,562	139,285	117,203
Tax	<u>(14,606)</u>	<u>(15,594)</u>	<u>(32,275)</u>	<u>(27,557)</u>
Profit for the period	<u>48,348</u>	<u>50,968</u>	<u>107,010</u>	<u>89,646</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>48,348</u>	<u>50,968</u>	<u>107,010</u>	<u>89,646</u>
Profit for the period attributable to:				
Owners of the Company	39,504	43,354	89,020	74,866
Non-controlling interests	<u>8,844</u>	<u>7,614</u>	<u>17,990</u>	<u>14,780</u>
	<u>48,348</u>	<u>50,968</u>	<u>107,010</u>	<u>89,646</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	39,504	43,354	89,020	74,866
Non-controlling interests	<u>8,844</u>	<u>7,614</u>	<u>17,990</u>	<u>14,780</u>
	<u>48,348</u>	<u>50,968</u>	<u>107,010</u>	<u>89,646</u>
Earnings per share (sen):				
- Basic	4.05	4.48	9.13	7.74
- Diluted	4.04	4.47	9.11	7.73
Dividends per share (sen)	5.00	5.00	5.00	5.00

(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 31/07/2024 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	280,265	275,083
Bearer plants	130,479	132,073
Right-of-use assets	326,718	325,805
Deferred tax assets	2,176	2,490
Prepayments	4,473	7,632
	744,111	743,083
Current assets		
Inventories	34,633	43,024
Biological assets	5,586	4,558
Receivables	55,597	43,148
Prepayments	1,553	1,578
Tax recoverable	573	2,536
Derivatives	3	-
Short term funds	205,058	243,322
Cash and bank balances	223,184	175,475
	526,187	513,641
TOTAL ASSETS	<u><u>1,270,298</u></u>	<u><u>1,256,724</u></u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables and accruals	88,690	91,753
Loans and borrowings	15,105	15,964
Dividend payable	-	29,180
Derivatives	-	3
Tax payable	24,074	12,583
	127,869	149,483
Net current assets	<u>398,318</u>	<u>364,158</u>
Non-current liabilities		
Loans and borrowings	30,492	35,490
Deferred tax liabilities	90,799	91,327
	121,291	126,817
Total liabilities	<u>249,160</u>	<u>276,300</u>
Net assets	<u>1,021,138</u>	<u>980,424</u>
Equity attributable to owners of the Company		
Share capital	384,073	380,892
Reserves	518,154	485,149
Treasury shares	(1,124)	(1,124)
	901,103	864,917
Non-controlling interests	<u>120,035</u>	<u>115,507</u>
Total equity	<u><u>1,021,138</u></u>	<u><u>980,424</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,270,298</u></u>	<u><u>1,256,724</u></u>
Net assets per share (RM)	0.92	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

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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	
6 months ended						
<u>31 July 2024</u>						
Balance as at 1 February 2024	380,892	485,149	(1,124)	864,917	115,507	980,424
Profit net of tax	-	89,020	-	89,020	17,990	107,010
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	89,020	-	89,020	17,990	107,010
Dividends	-	(48,754)	-	(48,754)	(11,300)	(60,054)
Issuance of shares arising from exercise of Warrants	3,181	(396)	-	2,785	-	2,785
Acquisition from non-controlling interest	-	(6,865)	-	(6,865)	(2,162)	(9,027)
Total for transactions with owners	3,181	(56,015)	-	(52,834)	(13,462)	(66,296)
Balance as at 31 July 2024	384,073	518,154	(1,124)	901,103	120,035	1,021,138

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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	
6 months ended						
<u>31 July 2023</u>						
Balance as at 1 February 2023	371,865	464,148	(1,626)	834,387	119,313	953,700
Profit net of tax	-	74,866	-	74,866	14,780	89,646
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	74,866	-	74,866	14,780	89,646
Dividends	-	(48,464)	-	(48,464)	(17,850)	(66,314)
Issuance of shares arising from exercise of Warrants	3,620	(451)	-	3,169	-	3,169
Total for transaction with owners	3,620	(48,915)	-	(45,295)	(17,850)	(63,145)
Balance as at 31 July 2023	<u>375,485</u>	<u>490,099</u>	<u>(1,626)</u>	<u>863,958</u>	<u>116,243</u>	<u>980,201</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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 31/07/2024 RM'000	6 months ended 31/07/2023 RM'000
Operating activities		
Cash receipts from customers	784,428	714,927
Rental received	108	101
Interest received	4,114	3,923
Cash paid to suppliers and employees	(635,738)	(584,259)
Cash generated from operations	152,912	134,692
Interest paid	(1,177)	(1,258)
Tax paid	(19,036)	(11,909)
Net cash from operating activities	132,699	121,525
Investing activities		
Additional investment in existing subsidiary company	(9,027)	-
Proceeds from disposal of property, plant and equipment	432	1,082
Acquisition of property, plant and equipment, bearer plants and right-of-use assets	(25,140)	(15,494)
Net withdrawal from/(investments in) short term funds	40,698	(63,998)
Net cash from/(used in) investing activities	6,963	(78,410)
Financing activities		
Proceeds from issuance of shares	2,785	3,169
Net increase in restricted cash	(9)	(9)
Repayments of bank borrowings	(5,498)	(4,998)
Dividends paid to shareholders of the Company	(77,934)	(48,351)
Dividends paid to non-controlling interests in subsidiary companies	(12,092)	(18,618)
Proceed from disposal of treasury shares	1,145	-
Net cash used in financing activities	(91,603)	(68,807)
Net increase/(decrease) in cash and cash equivalents	48,059	(25,692)
Cash and cash equivalents at beginning of period	174,355	233,905
Cash and cash equivalents at end of period (Note a)	222,414	208,213
Note a : Cash and cash equivalents at end of period		
Cash on hand and cash in banks	135,806	111,344
Deposits with licensed banks	87,378	97,941
Cash and bank balances	223,184	209,285
Less: Bank overdrafts	(109)	(431)
Less: Fixed deposit pledged	(661)	(641)
Cash and cash equivalents	222,414	208,213

(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
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
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 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 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 81,900 MT which was 6% 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 half year ended 31 July 2024 except for issuance of 1,989,435 new ordinary shares pursuant to exercise of 1,989,435 Warrants.

As at 31 July 2024, the Company held as treasury shares a total of 1,248,000 of its 976,455,887 issued ordinary shares.

The outstanding unexercised number of Warrants as at 31 July 2024 was 5,635,055.

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.

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A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	6 months ended		6 months ended	
	31/07/2024	31/07/2023	31/07/2024	31/07/2023
	RM'000	RM'000	RM'000	RM'000
Plantation operations	122,117	113,984	67,712	57,273
Milling operations	776,437	697,030	66,403	55,770
	898,554	811,014	134,115	113,043
Add/(Less):				
Inter-segment adjustments and eliminations	(104,232)	(98,721)	847	(115)
	<u>794,322</u>	<u>712,293</u>	134,962	112,928
Add/(Less):				
Unallocated expenses			(1,049)	(952)
Finance income			4,109	3,887
Finance costs			(1,171)	(1,256)
Other investment income			2,434	2,596
Profit before tax			139,285	117,203
Tax expenses			(32,275)	(27,557)
Profit for the period			<u>107,010</u>	<u>89,646</u>

A8. Material subsequent events

As at 24 September 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 RM794.32 million and RM139.29 million respectively for the current half year ended 31 July 2024, which were 12% and 19% higher as compared to RM712.29 million and RM117.20 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 2% and 6% respectively. On the other hand, the average selling prices for both FFB and CPO for the current year-to-date were higher by 5% as compared to the corresponding period last year. Further information and statistics are tabulated below:

	Individual Period (2 nd quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/07/2024	31/07/2023		31/07/2024	31/07/2023	
(A) Financial Data:	RM'000	RM'000		RM'000	RM'000	
Revenue	405,936	385,607	5%	794,322	712,293	12%
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	74,153	78,338	(5%)	161,783	140,686	15%
Profit before interest and tax	63,532	67,199	(5%)	140,456	118,459	19%
Profit before tax	62,954	66,562	(5%)	139,285	117,203	19%
Profit after tax	48,348	50,968	(5%)	107,010	89,646	19%
Profit attributable to ordinary equity holders of the Company	39,504	43,354	(9%)	89,020	74,866	19%
(B) Statistics:						
Plantation						
FFB production (MT)	81,894	83,007	(1%)	159,211	155,838	2%
FFB yield per hectare (MT/Ha)	5.39	5.48	(2%)	10.40	10.28	1%
Average FFB selling price (RM/MT)	748	695	8%	767	731	5%
Palm Oil Milling						
CPO production (MT)	81,406	81,307	0%	157,032	148,507	6%
CPO sold (MT)	82,812	85,207	(3%)	160,713	153,442	5%
CPO extraction rate (%)	20.00	20.56	(3%)	20.28	20.56	(1%)
Average CPO selling price (RM/MT)	3,999	3,799	5%	4,087	3,911	5%

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 July 2024, the Group’s total planted area (excluding land for infrastructure, unplanted land and area under development) is 15,684 hectares. The age profile of planted area can be analysed as follows:

- < 3 years (Immature): 4%
- 3 – 6 years (Young mature): 23%
- 7 – 15 years (Prime mature): 27%
- 16 – 20 years (Old mature): 18%
- > 20 years (Pre-replanting): 28%

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During the current quarter, the Company acquired an oil palm plantation land measuring approximately 80 hectares which is nearby its existing operations. The land was under replanting after vacant possession taken over in June 2024.

The Group has carried out replanting of 600 hectares during the current year to-date.

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

	Individual Period (2 nd quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/07/2024	31/07/2023		31/07/2024	31/07/2023	
Revenue:	RM'000	RM'000		RM'000	RM'000	
Plantation	61,278	57,652	6%	122,117	113,984	7%
Milling	395,995	377,027	5%	776,437	697,030	11%
	457,273	434,679	5%	898,554	811,014	11%
Results:						
Plantation	32,790	28,134	17%	67,712	57,273	18%
Milling	27,666	34,234	(19%)	66,403	55,770	19%
	60,456	62,368	(3%)	134,115	113,043	19%

Plantation operations

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

For the current year-to-date, the revenue and profit were 7% and 18% higher as compared to the corresponding period last year mainly due to higher FFB selling price and 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 revenue from the milling operations for the current quarter and year-to-date were 5% and 11% higher as compared to the corresponding periods last year mainly on account of the higher CPO average selling price together with higher sales volume for the year-to-date.

The profit from the milling operations for the current quarter was 19% lower as compared to corresponding period last year mainly due to a lower CPO extraction rate achieved. However, the profit for the year-to-date was 19% higher as compared to the corresponding period last year mainly due to better processing margin and higher CPO production achieved in the first quarter of the current financial year.

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 and year-to-date were RM2.66 million and RM5.49 million respectively, which were 59% and 83% higher as compared to the revenue recorded in the corresponding periods last year.

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

The PBT for the current quarter was RM62.95 million which was 18% lower than RM76.33 million achieved in the preceding quarter ended 30 April 2024.

Despite the 6% increase in FFB production, the profit from plantation operations dropped by 6% or RM2.13 million to RM32.79 million as compared to RM34.92 million in the preceding quarter, mainly due to a 5% lower average selling price for FFB.

For the milling operations, despite an 11% increase in FFB throughput in the current quarter, the profit from milling operations dropped by 29% or RM11.07 million to RM27.67 million, as compared to RM38.74 million recorded for the preceding quarter. The drop in performance was mainly due to lower CPO extraction rate.

Total FFB processed has increased by 11% to 407,000 MT as compared to 367,000 MT in the preceding quarter.

Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/07/2024	30/04/2024	
(A) Financial Data:	RM'000	RM'000	
Revenue	405,936	388,386	5%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	74,153	87,630	(15%)
Profit before interest and tax	63,532	76,924	(17%)
Profit before tax	62,954	76,331	(18%)
Profit after tax	48,348	58,662	(18%)
Profit attributable to ordinary equity holders of the Company	39,504	49,516	(20%)
(B) Statistics:			
Plantation			
FFB production (MT)	81,894	77,317	6%
FFB yield per hectare (MT/Ha)	5.39	5.01	8%
Average FFB selling price (RM/MT)	748	787	(5%)
Palm Oil Milling			
CPO production (MT)	81,406	75,626	8%
CPO sold (MT)	82,812	77,901	6%
CPO extraction rate (%)	20.00	20.59	(3%)
Average CPO selling price (RM/MT)	3,999	4,180	(4%)

B3. Current financial year prospects

The Management targets to achieve 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.

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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.

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

This is not applicable.

B5. Income tax

	Current Quarter Ended 31/07/2024 RM'000	Financial Year-to-date Ended 31/07/2024 RM'000
Malaysian Income Tax		
- Current year	15,228	32,489
Deferred tax		
- Current year	(622)	(214)
	<u>14,606</u>	<u>32,275</u>

B6. Status of corporate proposals

Status of corporate proposals not completed as at 24 September 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 has yet to determine the date for implementation of the Proposed ESOS.

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(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.

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

B7. Group borrowings and debt securities

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

	As at 31/07/2024 RM’000	As at 31/07/2023 RM’000
Short term borrowings:		
Overdrafts	109	432
Revolving credit	5,000	2,500
Term loans	9,996	9,996
	<u>15,105</u>	<u>12,928</u>
Long term borrowings:		
Term loans	<u>30,492</u>	<u>40,488</u>

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

B8. Material litigation

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

B9. Dividend

The Board is pleased to declare an interim single tier dividend of 5 sen per share in respect of the financial year ending 31 January 2025.

- (a) (i) amount per share: 5 sen single tier;
(ii) previous corresponding period: 5 sen single tier per share;
(iii) date of payment: 13 November 2024; and
(iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of the depositors as at 23 October 2024; and
- (b) total dividend for the current financial year: 5 sen single tier per share.

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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 half year by the weighted average number of ordinary shares in issue during the current quarter and the first half year respectively, excluding treasury shares held by the Company:

		Current Quarter Ended 31/07/2024	Financial Year-to-date Ended 31/07/2024
Net profit for the period	(RM'000)	39,504	89,020
Weighted average number of ordinary shares in issue	('000)	975,094	974,599
Basic EPS	(sen)	4.05	9.13

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 half year by the weighted average number of ordinary shares in issue during the current quarter and the first half 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 31/07/2024	Financial Year-to-date Ended 31/07/2024
Net profit for the period	(RM'000)	39,504	89,020
Weighted average number of ordinary shares in issue	('000)	975,094	974,599
Adjustment for dilutive effect of warrants	('000)	2,082	2,065
Adjusted weighted average number of shares for Diluted EPS	('000)	977,176	976,664
Diluted EPS	(sen)	4.04	9.11

B11. Audit qualification

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

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B12. Profit before tax

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

	Current Quarter Ended 31/07/2024 RM'000	Financial Year-to-date Ended 31/07/2024 RM'000
(a) Interest income	(2,111)	(4,109)
(b) Other income including investment income	(1,708)	(3,568)
(c) Interest expense	578	1,171
(d) Depreciation and amortization	10,621	21,327
(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	(804)	(2,974)
(k) Net loss/(gain) arising from changes in fair value of biological assets	808	(1,028)
(l) Exceptional items	-	-

B13. Derivatives

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

<u>Type of Derivatives</u>	Contractual/ Notional Value as at 31/07/2024 RM'000	Fair Value Assets as at 31/07/2024 RM'000
CPO Futures contracts		
- Less than 1 year	7,787	3
	<u>7,787</u>	<u>3</u>

The outstanding 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 31/07/2024 RM'000	Financial Year-to-date Ended 31/07/2024 RM'000
<u>Gains arising from fair value changes of financial liabilities:</u>		
- CPO Futures contracts	<u>(244)</u>	<u>(3)</u>

- (a) The fair value gains were arising from the transactions under the CPO Futures contracts.
- (b) The fair value gains were due to favourable 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 July 2024 is RM55.60 million of which RM49.23 million is trade in nature with normal trade credit terms of less than 60 days.