KIM LOONG
RESOURCES BERHAD
錦隆資源有限公司
197501000991(22703-K)

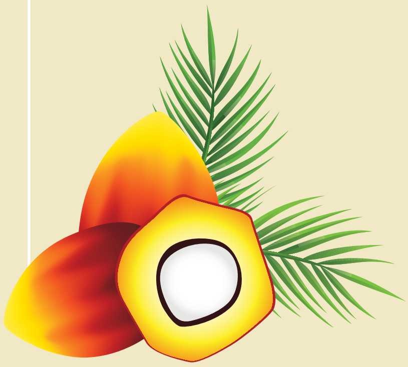
GAINING STRENGTH IN
SUSTAINABILITY
annual report 2022

1 **Plantation Operations**

2 **Milling Operations**

The principal activities of the KLR Group are divided into two main areas: plantation operations and milling operations. Years of experience and expertise of the board and the management have propelled the KLR Group to mature and excel in both activities.

CONTENTS



REVENUE
RM1.70
Billion

EARNINGS PER SHARE
14.42
Sen

PROFIT BEFORE TAX
RM210.33
Million

SHAREHOLDERS' EQUITY
RM809.80
Million

CORPORATE MILESTONES

1967

Sharikat Kim Loong Sendirian Berhad ("SKL"), holding company of Kim Loong Resources Berhad, commenced business with 1,000 acre rubber plantation at Ulu Tiram, Johor. (The first planting of oil palm started in 1968).

1977

Incorporation of Kim Loong Palm Oil Sdn. Bhd. (currently a subsidiary of Kim Loong Resources Berhad) by SKL to undertake the milling operation and relocation of palm oil mill to Kota Tinggi, Johor under Kim Loong Palm Oil Mills Sdn. Bhd. which commenced operations in 1996.

1981

SKL expanded into Sabah by acquiring 1,000 acres of land in Sandakan, Sabah. Cocoa was first planted on the land followed by oil palm.

1997

Incorporation of Desa Kim Loong Plantations Sdn. Bhd. (currently known as Kim Loong - KPD Plantations Sdn. Bhd.) to enter into a JV with Korporasi Pembangunan Desa to develop 4,000 acres of land in Telupid, Sandakan, Sabah into an oil palm plantation.

Restructuring exercise to transfer all Sabah plantation operations to Kim Loong Resources Berhad.

2003

Kim Loong Resources Berhad expanded its downstream diversification by entering into a Supply and Installation Contract and a Joint Venture Agreement in 2004 to undertake projects to extract CPO from wet palm fibre and to extract tocotrienol concentrates from CPO under Kim Loong Technologies Sdn. Bhd. and Palm Nutraceuticals Sdn. Bhd. respectively.

2004

The Group entered into a Development cum Joint Venture with Al-Yatama Berhad to develop 2,702 acres of land in Kota Tinggi, Johor.

Capacity of our Keningau Mill was successfully expanded to 45 MT of FFB per hour.

2005

Keningau Mill was awarded by MPOB for achieving OER exceeding 25%.

2006

The Group undertook a biogas plant in our Kota Tinggi mill as a Clean Development Mechanism ("CDM") project under the Kyoto Protocol to the United Nations Framework Convention on Climate Change ("UNFCCC").

2007

Keningau Mill was awarded by MPOB as the highest OER mill in Malaysia in year 2007. The Group undertook another CDM project in our Keningau mill.

2008

Commissioned the 3rd palm oil mill at Telupid, Sabah. Commissioned our first CDM project at Kota Tinggi in August 2008. Kim Loong Resources Berhad received an award from Malaysia Cocoa Board under cocoa estate category.

CORPORATE MILESTONES
(CONT'D)

1998
Incorporation of Kim Loong Corporation Sdn. Bhd. ("KLC") by SKL to enter into a JV with Desa Cattle (S) Sdn. Bhd. to develop 17,731 acres of land into oil palm plantation and to erect new palm oil mill in Sook, Keningau, Sabah.

Kota Tinggi Mill was ranked the largest commercial mill in Malaysia in terms of its CPO Production.

1999
As part of the listing restructuring exercise, KLPO group (milling operations at Kota Tinggi, Johor) and KLC (the plantation and milling operations at Sook, Keningau, Sabah) were transferred to Kim Loong Resources Berhad.

2000
Kim Loong Resources Berhad was listed on the Main Board of the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad).

2002
Construction of the Keningau Mill which commenced operations in February 2003. Kota Tinggi Mill won the most innovative mill award by MPOB.

2010
Kim Loong Resources Berhad received the shareholder value award (Agriculture & Fisheries sector) from KPMG.

Commissioned the second palm pressed fibre oil extraction plant.

The Group expanded into Sarawak by acquiring Tetangga Akrab Pelita (Pantu) Sdn Bhd (currently known as Winsome Pelita (Pantu) Sdn. Bhd.), a joint venture company with Pelita Holdings Sdn. Bhd. to develop Native Customary Rights Land ("NCR Land") with estimated plantable area of 6,300 Ha in Sri Aman Division.

2013/2014
Telupid Mill was awarded by MPOB for achieving the highest OER (External FFB Source) in Malaysia.

2016/2017
Kim Loong Resources Berhad was awarded by The Edge in year 2016 as the highest returns to shareholders over three years in Malaysia (Plantation).

2018
Kim Loong Resources Berhad was awarded by The Edge in year 2018 as the highest returns to shareholders over three years in Malaysia (Plantation).

The Company had successfully implemented Corporate Exercises involving Share Split (1 existing ordinary share to 3 Subdivided Shares) and Bonus Issue of Warrants (1 Warrant for every 20 Subdivided Shares) in April 2018.

Keningau mill was awarded by MPOB as the best palm oil mill (External FFB source in Sabah/Sarawak).

2019
Biogas plant at Kota Tinggi mill commenced supplying power up to 1.8 MW per hour to grid.

All the plantations and mills under the Group have passed the Malaysian Sustainable Palm Oil ("MSPO") audit and have obtained MSPO certification.

2020/2021
On 19 February 2020, the Company entered into Sale and Purchase Agreements to acquire oil palm plantation land in Sabah with a total gross land area of approximately 2,862 acres. In February 2021, the Group took possession of 2,708 acres (1,096 hectares).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-seventh Annual General Meeting of Kim Loong Resources Berhad will be held at the Ruby 1 & 2, Level 9, Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor Darul Takzim on Wednesday, 27 July 2022 at 11.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2022 together with the Auditors' Report thereon.

2. To declare a final single tier dividend of 5 sen per share in respect of the financial year ended 31 January 2022. **(Ordinary Resolution 1)**

3. To approve the following payment to Directors:-

   (a) Fees totalling RM288,000 for the financial year ended 31 January 2022. **(Ordinary Resolution 2)**

   (b) Benefits of up to RM40,000 from this Annual General Meeting until the next annual general meeting of the Company. **(Ordinary Resolution 3)**

4. To re-elect the following Directors retiring in accordance with Clause 88 of the Constitution of the Company:-

   (a) Mr. Gooi Seong Lim **(Ordinary Resolution 4)**

   (b) Mr. Gooi Seong Gum **(Ordinary Resolution 5)**

5. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

As Special Business, to consider and if thought fit, to pass the following resolutions:-

6. AUTHORITY TO ALLOT AND ISSUE SHARES

   "THAT subject always to the Companies Act, 2016, the Constitution of the Company and the approval of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as they may deem fit and that the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad provided always that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company." **(Ordinary Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

7. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

"THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 2016 ("the Act"), the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, approval be and is hereby given to renew the authority for the Company to purchase its own shares through Bursa Securities, subject to the following:-

(a) the maximum number of shares which may be purchased by the Company (which includes the shares already purchased and held as treasury shares) shall be 96,725,905 representing 10% of the total number of issued shares of the Company as at 22 April 2022;

(b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the audited retained profits of the Company as at 31 January 2022 of RM54,487,819;

(c) the authority conferred by this Ordinary Resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next annual general meeting or the expiry of the period within which the next annual general meeting is required by law to be held, whichever occurs first (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the requirements issued by Bursa Securities or any other relevant authorities;

(d) upon completion of the purchase by the Company of its own shares, the shares shall be dealt with in the following manner:-

    (i) to cancel the shares so purchased; or

    (ii) to retain the shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resell through Bursa Securities and/or subsequently cancel the treasury shares and/or transfer the treasury shares for the purposes of or under an employees' share scheme or as purchase consideration; or

    (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder;

    and in any other manner as prescribed by Section 127 of the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company." **(Ordinary Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

8. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Mr. Gan Kim Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021." **(Ordinary Resolution 9)**

9. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Mr. Chan Weng Hoong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021." **(Ordinary Resolution 10)**

10. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Mr. Cheang Kwan Chow, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021." **(Ordinary Resolution 11)**

11. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the Proposed Shareholders' Mandate for the Company and / or its subsidiaries to enter into and give effect to the category of the recurrent related party transactions of a revenue or trading nature with the related parties, as specified in Section 2.3 of the Circular to Shareholders dated 30 May 2022 provided that such transactions are made on an arm's length basis and on normal commercial terms and subject further to the following:-

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders; and

(b) disclosure is made in the Annual Report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:-

(i) the type of the recurrent transactions made; and

(ii) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company,

and such authority shall commence upon the passing of this Ordinary Resolution and shall continue to be in force until:-

(a) the conclusion of the next annual general meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the said Act); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

AND THAT the Directors and / or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and / or authorised by this Ordinary Resolution."

(Ordinary Resolution 12)

12. To consider any other business for which due notice shall have been given.

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Forty-seventh Annual General Meeting, the final single tier dividend of 5 sen per share in respect of the financial year ended 31 January 2022 will be paid on 29 August 2022 to depositors registered in the Record of Depositors on 12 August 2022.

A depositor shall qualify for entitlement only in respect of:-

(a) shares transferred into the Depositor's Securities Account before 4.30 p.m. on 12 August 2022 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

CHONG FOOK SIN (CCM PC No. 202008000484) (MACS 00681)
KAN CHEE JING (CCM PC No. 202008000596) (MAICSA 7019764)
CHUA YOKE BEE (CCM PC No. 202008000604) (MAICSA 7014578)
Company Secretaries

Petaling Jaya
30 May 2022

IMPORTANT NOTICE

Due to COVID-19, the Company has put in place the rules and controls for this Annual General Meeting in order to safeguard the health of attendees at the meeting. Shareholder is requested to read and adhere to the Administrative Guide which can be downloaded from the Company's website or via announcement on Bursa Malaysia's website.

NOTES:

(1) A member whose name appears in the Record of Depositors as at 20 July 2022 shall be regarded as a member entitled to attend, speak and vote at the meeting.

(2) Proxy -

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

(3) Audited Financial Statements for the financial year ended 31 January 2022 -

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

(4) Ordinary Resolution 3 -

The Directors' benefits comprise the following -

(a) Meeting allowance of RM500 per meeting day; and

(b) Training benefits.

(5) Ordinary Resolution 7-

This resolution, if approved, will give the Directors authority to allot and issue new ordinary shares up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting.

The approval is a renewed general mandate and is sought to provide flexibility and to avoid delay and cost in convening a general meeting for such issuance of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last annual general meeting held on 28 July 2021 and which will lapse at the conclusion of the Forty-seventh Annual General Meeting.

Should there be a decision to issue new shares after the authority is sought, the Company will make an announcement of the actual purpose and utilization of proceeds arising from such issuance of shares.

(6) Ordinary Resolution 8 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 30 May 2022 which is enclosed together with the Annual Report 2022.

(7) Ordinary Resolutions 9, 10 & 11 -

Both the Nominating Committee and the Board have assessed the independence of Mr. Gan Kim Guan, Mr. Chan Weng Hoong and Mr. Cheang Kwan Chow who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than 9 years, and recommended them to be retained as Independent Non-Executive Directors of the Company based on the following justifications:–

(a) They have fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, they would be able to provide independent judgement, objectivity and check and balance to the Board.

(b) They perform their duties and responsibilities diligently and in the best interests of the Company without being subject to influence of the management.

(c) Their in-depth knowledge of the Group's businesses and their extensive knowledge, commitment and expertise continue to provide invaluable contributions to the Board.

(d) They, having been with the Company for more than 9 years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations and attended the Board and Committee meetings for an informed and balanced decision making.

(e) They are independent as they have shown great integrity and have not entered into any related party transaction with the Group.

(f) They are currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Group.

Shareholders' approval for Ordinary Resolutions 9, 10 & 11 will be sought on a single tier voting basis.

(8) Ordinary Resolution 12 -

The detailed text on this resolution on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is included in the Circular to Shareholders dated 30 May 2022 which is enclosed together with the Annual Report 2022.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

(1) The following Directors are standing for re-election pursuant to Clause 88 of the Constitution of the Company at the Forty-seventh Annual General Meeting:-

  (a) Mr. Gooi Seong Lim

  (b) Mr. Gooi Seong Gum

  The profiles of the Directors standing for re-election as mentioned in paragraph above at the Forty-seventh Annual General Meeting are set out in the Annual Report 2022 under the section named Profile of Directors.

(2) The statement relating to the general mandate for authority to allot and issue shares is set out in Note 5 to the Notice of the Forty-seventh Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Gooi Seong Lim**
   Executive Chairman
2. **Gooi Khai Chien**
   Alternate Director to Mr Gooi Seong Lim
3. **Gooi Seong Heen**
   Managing Director
4. **Gooi Chuen Kang**
   Alternate Director to Mr Gooi Seong Heen
5. **Gooi Seong Chneh**
   Executive Director
6. **Gooi Seong Gum**
   Executive Director
7. **Gan Kim Guan**
   Senior Independent Non-Executive Director
8. **Chan Weng Hoong**
   Independent Non-Executive Director
9. **Cheang Kwan Chow**
   Independent Non-Executive Director

AUDIT COMMITTEE

Gan Kim Guan
Chairman
Chan Weng Hoong
Cheang Kwan Chow

COMPANY SECRETARIES

Chong Fook Sin
(CCM PC No. 202008000484)
(MACS 00681)

Kan Chee Jing
(CCM PC No. 202008000596)
(MAICSA 7019764)

Chua Yoke Bee
(CCM PC No. 202008000604)
(MAICSA 7014578)

REGISTERED OFFICE

Unit 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 03 7118 2688
Fax : 03 7118 2693

REGISTRAR

Tacs Corporate Services Sdn. Bhd.
Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 03 7118 2688
Fax : 03 7118 2693

AUDITORS

Ernst & Young PLT
B-15, Medini 9,
Persiaran Medini Sentral 1,
Bandar Medini Iskandar,
79250 Iskandar Puteri, Johor.

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
AmBank (M) Berhad
Malayan Banking Berhad
Public Bank Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Short Name : **KMLOONG**
Stock Code : **5027**

BOARD OF DIRECTORS

from left to right:

Gooi Seong Heen
Managing Director

Gooi Seong Lim
Executive Chairman

Gooi Seong Chneh
Executive Director

from left to right:

Chan Weng Hoong
Independent
Non-Executive Director

Gooi Seong Gum
Executive Director

Gan Kim Guan
Senior Independent
Non-Executive Director

BOARD OF DIRECTORS

from left to right:

Gooi Chuen Kang
Alternate Director
To Mr Gooi Seong Heen

Cheang Kwan Chow
Independent
Non-Executive Director

Gooi Khai Chien
Alternate Director
To Mr Gooi Seong Lim

from left to right:

Kan Chee Jing
Company Secretary

Chong Fook Sin
Company Secretary

Chua Yoke Bee
Company Secretary

PROFILE OF DIRECTORS

Gooi Seong Lim

Executive Chairman

Age 73

Male

Gooi Seong Lim was appointed to the Board of Kim Loong Resources Berhad ("KLR") as an Executive Director on 28 February 1990. He was a Managing Director up to 30 March 2006 before redesignation as the Executive Chairman of KLR. He was also a member of the Remuneration Committee with effect from 27 March 2002 until 30 January 2018. He graduated from the University of Toronto, Canada, with a Bachelor of Applied Science degree in Mechanical Engineering in 1975. From 1975 until todate, he has been the Managing Director of Sharikat Kim Loong Sendirian Berhad ("SKL"), a company which owns a controlling stake in KLR and Crescendo Corporation Berhad ("CCB"). Both KLR and CCB are public companies listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"). The success of the Group owes much to his extensive involvement in plantation and milling operations. He also sits on the Board of CCB and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving KLR, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended four (4) out of five (5) Board meetings held during the financial year 2022.

Gooi Seong Heen

Managing Director

Age 71

Male

Gooi Seong Heen was appointed to the Board of KLR as an Executive Director on 28 February 1990. He was redesignated as Managing Director on 30 March 2006. He graduated with a Bachelor of Applied Science degree in Chemical Engineering from the University of Toronto in 1972 and obtained a Master's degree in Business Administration from the University of Western Ontario, Canada in 1976. He served as an engineer with Esso Singapore Pte Ltd from 1973 to 1974. His experience embraces oil palm and rubber estate management, palm oil mill management and property development. From 1972, he has been a Director of SKL, a company which owns a controlling stake in KLR and CCB. Since 1977, he has been a director of KLPO Group which is involved in palm oil milling. He is currently also a director of CCB and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving KLR, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

PROFILE OF DIRECTORS
(CONT'D)

Gooi Seong Chneh

Executive Director

Age 67	
Male	

Gooi Seong Chneh was appointed to the Board of KLR on 28 February 1990. He is currently an Executive Director of KLR. He graduated with a Bachelor of Science degree from the University of Toronto, Canada in 1975 and obtained a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980. He was formerly a consultant with Campbell Engineering and Associates, Calgary, Canada for three (3) years from 1981 to 1983. He has extensive experience in construction site management and property development. His experience also includes oil palm and cocoa estate management. From 1976, he has been a Director of SKL, a company which owns a controlling stake in KLR and CCB. He has been responsible for the development and management of oil palm and cocoa estates in Johor, Sabah and Sarawak since 1985. He is also a director of CCB and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving KLR, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

Gooi Seong Gum

Executive Director

Age 66	
Male	

Gooi Seong Gum was appointed to the Board of KLR on 28 February 1990. He is currently an Executive Director of KLR. He graduated with a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980. He was an engineering consultant for Bobrowski & Partners, Calgary, Canada for one (1) year from 1982 to 1983. His experience covers oil palm and rubber estate management, property development and construction site management. From 1980, he has been a Director of SKL, a company which owns a controlling stake in KLR and CCB. Since 1983, he has been a director of KLPO Group which is involved in palm oil milling. He also sits on the Board of CCB and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving KLR, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

PROFILE OF DIRECTORS
(CONT'D)

Gan Kim Guan

Senior Independent Non-Executive Director

Age 59

Male

Gan Kim Guan was appointed to the Board of KLR as an Independent Non-Executive Director on 28 March 2001. He is currently the Senior Independent Non-Executive Director of KLR. He was appointed as a member of the Audit Committee on 28 March 2001 and currently, he is the Chairman of the Audit Committee. He also sits as a member of both the Nominating and Remuneration Committees with effect from 27 March 2002. He was appointed as the Chairman of the Nominating Committee and Remuneration Committee with effect from 31 December 2012 and 28 March 2013 respectively. He is a Chartered Accountant and has experience in accounting and financing related work. He is also a director of CCB.

Mr Gan is a Chartered Accountant of the Malaysian Institute of Accountants. He has no personal interest in any business arrangement involving KLR. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

Chan Weng Hoong

Independent Non-Executive Director

Age 73

Male

Chan Weng Hoong was appointed to the Board of KLR as an Independent Non-Executive Director on 24 March 2011. He is a member of the Audit Committee of KLR with effect from 24 March 2011. He also sits as a member of both the Nominating and Remuneration Committees with effect from 24 March 2011. He graduated with a Bachelor of Agricultural Science (Hon) from the University of Malaya in 1973. Since graduation, he has worked as an agronomist throughout his career. He retired from Applied Agricultural Resources Sdn. Bhd. (AARSB) in 2004 as Principal Research Officer and Head of Oil Palm and Rubber Advisory Divisions and was on job extension as Agronomist/Consultant Agronomist until March 2015 when he fully retired from AARSB. He is well versed in both rubber and oil palm and continues to work as a freelance Consultant Agronomist. He has presented or published numerous papers on rubber at national and international conferences and also some papers on oil palm at local conferences.

Mr Chan has no personal interest in any business arrangement involving KLR. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

PROFILE OF DIRECTORS
(CONT'D)

Cheang Kwan Chow

Independent Non-Executive Director

Age 69

Male

Cheang Kwan Chow was appointed to the Board of KLR as an Independent Non-Executive Director on 20 October 2011. He is a member of the Audit Committee of KLR with effect from 20 October 2011. He also sits as a member of both the Nominating and Remuneration Committees with effect from 20 October 2011. He has a Diploma in Marketing from Redditch College, Worcestershire, England and a Postgraduate Diploma in Export Marketing and Diploma in Export from Buckinghamshire College, Buckinghamshire, England. He graduated with a Master of Arts Communications Management from University of South Australia and a Master of Leadership in Organisational Learning from Monash University. He joined the Kuok Group of companies in 1980 and had over the years, held various senior management positions in various companies within the Kuok Group. He was appointed as Deputy Managing Director of PGEO Group Sdn. Bhd. and PGEO Marketing Sdn. Bhd in July 2002, the position which he held until December 2007. He also sat on the board of PPB Group Berhad until May 2011. He is currently a Member of the Chartered Institute of Arbitrators, London, United Kingdom and sits on the Panel of Arbitrators of the Palm Oil Refiners Association of Malaysia.

Mr Cheang has no personal interest in any business arrangement involving KLR. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

Gooi Khai Chien

Alternate Director to Mr Gooi Seong Lim

Age 30

Male

Gooi Khai Chien was appointed to the Board of KLR as Alternate Director to Mr Gooi Seong Lim on 31 March 2016 and is currently the Investor Relations Director of KLR. He graduated with a Bachelor's Degree in Chemical Engineering in 2014 and a Master's Degree in Investments and Wealth Management in 2015. He started his career as an Investment analyst with Target Asset Management in Singapore from 2016 to 2019, during which he led the technology portfolio and a team of junior analysts. Since then, he has been involved in the business operations of KLR Group.

Mr Gooi has no personal interest in any business arrangement involving KLR except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of being a person connected to Mr Gooi Seong Lim. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

PROFILE OF DIRECTORS
(CONT'D)

Gooi Chuen Kang

Alternate Director to Mr Gooi Seong Heen

Age 36

Male

Gooi Chuen Kang was appointed to the Board of KLR as Alternate Director to Mr Gooi Seong Heen on 31 March 2016. He graduated with a Bachelor of Engineering (Chemical and Biomolecular Engineering) from the University of Melbourne in 2008. He worked as an analyst attached with Accenture Kuala Lumpur from 2010 to 2014. Since then, he has been involved in the business operations of KLR Group.

Mr Gooi has no personal interest in any business arrangement involving KLR except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of being a person connected to Mr Gooi Seong Heen. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Family Relationships

Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum are brothers.

Gooi Seong Lim is father of Gooi Khai Chien.

Gooi Seong Heen is father of Gooi Chuen Kang.

Save for the above, none of the other Directors are related.

PROFILE OF KEY SENIOR MANAGEMENT

The executive function in the Group is spearheaded by the Executive Chairman and Managing Director, namely Mr Gooi Seong Lim and Mr Gooi Seong Heen, whose profiles are included under the section on Directors' profile on pages 13 of this Annual Report. The following Directors assist them with day to day running of the various operations of the Group.

1 **Mr Gooi Seong Chneh**
Executive Director
(Profile on Page 14 of this Annual Report)

2 **Mr Gooi Seong Gum**
Executive Director
(Profile on Page 14 of this Annual Report)

3 **Mr Gooi Chuen Kang**
Plantation Director
(Profile on Page 17 of this Annual Report)

4 **Mr Gooi Khai Chien**
Investor Relations Director
(Profile on Page 16 of this Annual Report)

The profiles of the other Key Senior Management members are set out below:

Chow Kok Hiang

Finance Director

Chow Kok Hiang, male, aged 55, a Malaysian, is currently the Finance Director of KLR and has vast experience in the Audit and Business Advisory Services, having served as Assistant Manager of Price Waterhouse (Currently known as PricewaterhouseCoopers) before joining Crescendo Corporation Berhad in 1997 as Group Accountant. He was transferred to KLR in 1999 to head the Finance Department of KLR Group. Mr Chow is a Chartered Accountant with the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants. He also sits on the board of several private companies involved in property development, construction, educational services, trading and manufacturing.

Mr Chow has no family relationship with any Director and/or major shareholder of the Company. He does not hold any directorship in public companies. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years and has no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year 2022.

Gooi Chuen Howe

Marketing & Mill Director

Gooi Chuen Howe, male, aged 38, a Malaysian, was appointed as Marketing Director in March 2019 and is currently the Marketing & Mill Director of KLR. He holds a Master of Business Administration from London Business School and a Master of Science degree in Applied Finance from the Singapore Management University. He started his career as an investment analyst in asset management companies from 2008 to 2009. Subsequently, he worked as an investment manager in Primevest Holdings Private Limited from 2010 to 2015. He has been the alternate director to Mr Gooi Seong Heen in CCB since 31 March 2016.

Mr Gooi has no personal interest in any business arrangement involving KLR, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of being a person connected to Mr Gooi Seong Heen. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

PROFILE OF KEY SENIOR MANAGEMENT

Chang Chow Swan

General Manager

Chang Chow Swan, male, aged 68, a Malaysian, is currently the General Manager of Kim Loong Palm Oil Mills Sdn. Bhd. ("KLPOM"), a subsidiary of KLR. He graduated with a Bachelor degree in Chemical Engineering from National Taiwan University in 1978. A First Grade Steam Engineer with more than 40 years of hands-on experience for multiple breakthroughs in palm oil milling waste, biogas, biomass and downstream treatment. He is currently leading a group of engineers to initiate ideas to convert mill waste into higher value products, bring up KLPOM Complex as a pioneer of waste minimization in palm oil industry in Malaysia, and benefiting the milling operation of KLR Group. He is currently a Committee Member of Malaysia Palm Oil Millers Association ("POMA"). He also sits on the board of one subsidiary company of KLR Group involved in palm oil milling business.

Mr Chang has no family relationship with any Director and/or major shareholder of the Company. He does not hold any directorship in public companies. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years and has no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year 2022.

Chang Chee Chiong

General Manager

Chang Chee Chiong, male, aged 60, a Malaysian, is currently the General Manager of KLR in charge of the Group's estates in Sabah and Sarawak. He obtained the Licentiate Diploma from the Incorporated of Society Planters and with more than 30 years of working experience, he has vast experience in oil palm cultivation and plantation management. He was in the position of Deputy General Manager since 2010 before being promoted to the position of General Manager in 2014.

Mr Chang has no family relationship with any Director and/or major shareholder of the Company. He does not hold any directorship in public companies. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years and has no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year 2022.

Gan Liong Hoe

Deputy General Manager

Gan Liong Hoe, male, aged 48, a Malaysian, is currently the Deputy General Manager of KLR. He graduated with a Bachelor of Engineering (Mechanical) from Queensland University of Technology in 1997. Mr. Gan started his career as an engineer in IOI Corporation Berhad in 1998 and later joined TSH Resources Berhad in 2001 as engineer until 2007 before joining Desa Kim Loong Palm Oil Sdn. Bhd. ("DKLPO"), a subsidiary of KLR as a Senior Mill Manager, in November 2007. He was transferred to KLR and promoted to the position of Deputy General Manager in 2013 for Group's milling operations in Sabah. Mr Gan is a First Grade Steam Engineer and Second Grade Internal Combustion Engine Engineer with the Department of Occupational Safety and Health. He also sits on the board of two subsidiary companies of KLR Group involved in palm oil milling business.

Mr Gan has no family relationship with any Director and/or major shareholder of the Company. He does not hold any directorship in public companies. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years and has no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year 2022.

GROUP STRUCTURE

AS AT 31 JANUARY 2022

KIM LOONG
RESOURCES BERHAD
錦隆資源有限公司
197501000991(22703-K)

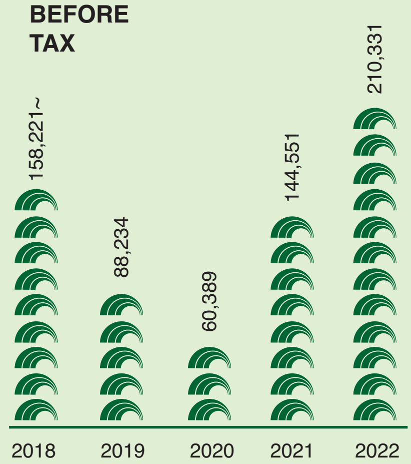
- 100% Kim Loong Palm Oil Sdn. Bhd.
  - 100% Kim Loong Palm Oil Mills Sdn. Bhd.
    - 100% Sungkit Enterprise Sdn. Bhd.
    - 100% Kim Loong Evergrow Sdn. Bhd.
    - 75% Kim Loong Biomass Sdn. Bhd.
- 100% Kim Loong Sabah Mills Sdn. Bhd.
- 100% Kim Loong Power Sdn. Bhd.
- 100% Kim Loong Technologies Sdn. Bhd.
- 70% Kim Loong - KPD Plantations Sdn. Bhd.
- 70% Desa Kim Loong Palm Oil Sdn. Bhd.
  - 100% Desa Kim Loong Industries Sdn. Bhd.
  - 100% Kim Loong Technologies (Sabah) Sdn. Bhd.
- 70% Palm Nutraceuticals Sdn. Bhd.
- 90% Winsome Yields Sdn. Bhd.
  - 68% Winsome Al-Yatama Sdn. Bhd.
- 100% Tyeco Corporation Sdn. Bhd.
- 100% Kim Loong Corporation Sdn. Bhd.
  - 60% Winsome Pelita (Pantu) Sdn. Bhd.
  - 100% Kim Loong Carus Sdn. Bhd.
- 100% Suhenson Estate Sdn. Bhd.
- 100% Okidville Holdings Sdn. Bhd.
  - 51% Desa Okidville Sdn. Bhd.
- 100% Selokan Sdn. Bhd.
- 95% Okidville Plantations Sdn. Bhd.
  - 100% Okidville Resources Sdn. Bhd.
  - 70% Winsome Jaya Sdn. Bhd.
- 100% Okidville Jaya Sdn. Bhd.
- 100% Winsome Plantations Sdn. Bhd.
  - 70% Winsome Pelita (Kranggas) Sdn. Bhd.
- 100% Winsome Sarawak Plantations Sdn. Bhd.

GROUP FINANCIAL HIGHLIGHTS

STATEMENT OF COMPREHENSIVE INCOME (RM'000)

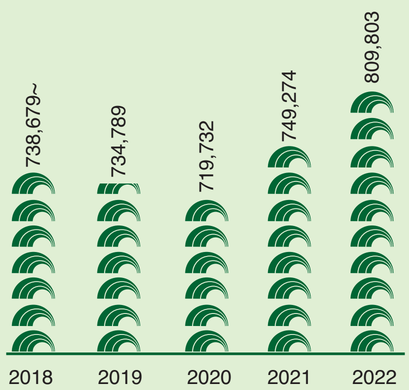
REVENUE

PROFIT BEFORE TAX

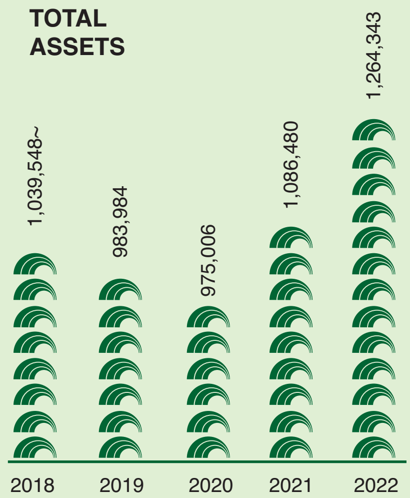


STATEMENT OF FINANCIAL POSITION (RM'000)

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

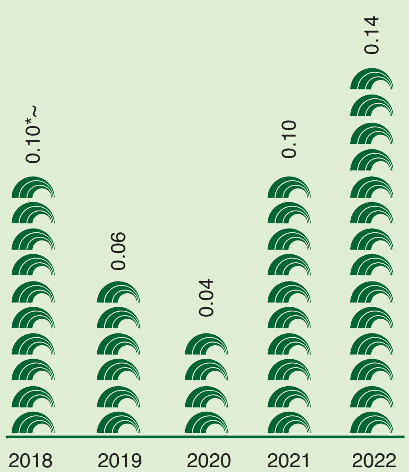


TOTAL ASSETS

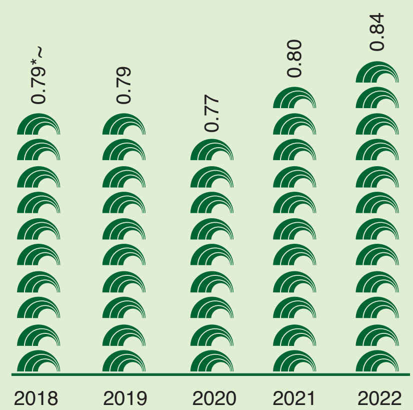


PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)

EARNINGS



NET ASSETS



GROUP FINANCIAL HIGHLIGHTS
(CONT'D)

		2018	2019	2020	2021	2022
STATEMENT OF COMPREHENSIVE INCOME (RM'000)						
Revenue		1,075,332	872,937	679,625	971,677	1,702,716
EBITDA		193,270~	123,495	95,249	180,511	248,149
Profit before tax		158,221~	88,234	60,389	144,551	210,331
Profit after tax		121,785~	59,690	44,989	110,621	167,042
Net profit attributable to owners of the Company		96,545~	52,123	41,061	94,891	136,580
STATEMENT OF FINANCIAL POSITION (RM'000)						
Paid-up share capital		318,430	318,433	318,433	318,437	369,304
Total shareholders' equity		829,975~	825,852	807,026	844,158	919,425
Equity attributable to owners of the Company		738,679~	734,789	719,732	749,274	809,803
Total assets		1,039,548~	983,984	975,006	1,086,480	1,264,343
PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)						
Earnings		0.10*~	0.06	0.04	0.10	0.14
Net Assets		0.79*~	0.79	0.77	0.80	0.84
Gross Dividend		0.08*	0.06	0.03	0.10	0.14
Share Price at Year End		1.39*	1.25	1.26	1.36	1.70
Weighted Average Number of Share in Issue ('000)		933,605 *	933,606	933,607	933,607	947,227
FINANCIAL INDICATORS						
Return on Equity	(%)	14.67~	7.23	5.57	13.10	18.17
Return on Total Assets	(%)	11.72~	6.07	4.61	10.18	13.21
Gearing Ratio	(times)	0.03~	0.02	0.02	0.06	0.07
Price-Earnings Ratio	(times)	13.48~	22.40	28.64	13.39	11.79
Interest Coverage Ratio	(times)	113.45~	83.00	86.17	144.34	109.47
Gross Dividend Yield	(%)	5.74	4.80	2.38	7.35	8.24

* Adjusted for subdivision of every 1 existing ordinary share into 3 ordinary shares ("Share Split") completed in April 2018.
~ Adjusted for effects of transition to MFRS.

STATISTICS

PLANTATIONS

	2018	2019	2020	2021	2022
Plantation Area (Ha)					
Oil palm					
Mature	14,255	13,943	12,874	11,765	13,032
Immature	691	1,003	1,635	3,092	2,907
Under development	-	-	438	38	-
Unplanted land	448	328	328	323	323
Total plantable area	15,394	15,274	15,275	15,218	16,262
Infrastructure and unplantable land	552	552	551	608	660
Total land area	15,946	15,826	15,826	15,826	16,922
Production and Yield					
Fresh fruit bunches ("FFB") (MT)	340,410	310,082	260,512	276,634	265,037
Yield per mature hectare (RM/Ha)	23.88	21.78	19.20	22.41	20.59

MILLS

	2018	2019	2020	2021	2022
Production and Extraction/Recovery Rates					
Crude palm oil ("CPO") (MT)	322,407	316,268	247,659	280,493	311,752
Oil extraction rate (% of FFB)	21.32	21.35	21.72	21.14	21.04
Palm kernel ("PK") (MT)	73,382	75,336	60,119	69,073	75,373
Kernel recovery rate (% of FFB)	4.85	5.08	5.27	5.21	5.09

AVERAGE SELLING PRICE [RM/MT]

	2018	2019	2020	2021	2022
CPO	2,718	2,169	2,118	2,755	4,488
PK	2,398	1,656	1,228	1,600	3,004

CHAIRMAN'S STATEMENT

ON BEHALF OF THE BOARD OF DIRECTORS OF KIM LOONG RESOURCES BERHAD ("KLR"), I TAKE THE PLEASURE TO PRESENT TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022.

GOOI SEONG LIM

Executive Chairman

FINANCIAL HIGHLIGHTS

RESULTS

Despite the global pandemic and macroeconomic environment challenges during the financial year, the Group delivered record financial results with the full year's revenue of RM1.70 billion, up 75% year-on-year, a new milestone for the group. The Group's record revenue was also accompanied by a strong profitability for the financial year. In terms of profit, the Group's pre-tax profit also surpassed for the first time the RM200 million threshold and hit RM 210.33 million, representing a 46% increase from FY2021. The strong financial performance is mainly due to high palm oil prices, but also highlights the resilience of our business's operational efficiencies during a challenging year.

CHAIRMAN'S STATEMENT
(CONT'D)

THE REMARKABLE FINANCIAL PERFORMANCES IN REVENUE AND PROFIT BEFORE TAX ("PBT") FOR BOTH PLANTATION AND PALM OIL MILLING OPERATIONS WERE MAINLY DRIVEN BY SIGNIFICANT JUMP IN PALM OIL PRICES.

The remarkable financial performances in revenue and Profit before tax ("PBT") for both plantation and palm oil milling operations were mainly driven by significant jump in palm oil prices. The average selling prices per MT for FFB and CPO for the current financial year were RM832 and RM4,488 respectively, representing a sharp increase of 60% and 63% respectively.

Total production of FFB from plantation operations dropped marginally by 4% or 11,600 MT to 265,000 MT in FY2022 after taking into accounts of 26,000 MT of FFB production contributed from the newly acquired estates which the Group took physical possession in February 2021. As for the palm oil milling operations, CPO production increased by 11% to 311,800 MT due to higher FFB intake during the period.

Meanwhile, the Group's revenue generated by supplying power to TNB grid from our Kota Tinggi milling operations remained stable at RM5.20 million (FY2021: RM5.13 million). In addition, the Group had sold a total of RM 23.19 million of palm kernel shell from the three mills to local and foreign buyers in FY2022. As always, we are committed to playing a responsible role in the energy sector as a renewable energy supplier.

Overall, our strong financial performance, operational resilience and efficiency have driven up our Group's Return on Equity (after tax) which has further improved to 18.2% as compared to 13.1% in FY2021.

DIVIDEND

With the accomplished financial performance achieved, the Company rewarded its shareholders with an interim and a special dividend of 5 sen and 4 sen respectively during the year. The Board has also recommended a final dividend of 5 sen for the FY2022 (FY2021: 3 sen) making the total single tier dividend for FY2022 of 14 sen per share (FY2021: 10 sen per share).

The dividend payout ratio for the FY2022 represents 98.9% of the annual profit attributable to owners of the Company and achieved a remarkable yield of 8.2% based on the closing share price of RM1.70 at the end of the financial year.

Our strong financial fundamentals over the past years have continued to be the key strengths of the Group for achieving robust earnings and cash flow growth, and the Group will continue to pursue quality investments in order to nurture growth and create economic values and returns to the shareholders.

DEVELOPMENT AND PROSPECTS

On the progress of acquisition of lands in Sabah, the Group took physical possession of four (4) pieces of plantation land with net title area measuring approximately 2,708 acres (1,096 hectares) on 9 February 2021. All Conditions Precedent for the 2,708 acres were fully fulfilled on 14 January 2022 and the acquisitions were completed on 12 May 2022. However, the Company has on 20 May 2021 decided to terminate the purchase of the remaining one (1) piece of land measuring approximately 139.7 acres due to unfulfillment of Conditions Precedent pursuant to the Sale and Purchase Agreement dated 19 February 2020. The additional plantation lands have contributed 26,000 MT of FFB production to the Group in FY2022

The management forecasts the FFB production for the financial year ending 31 January 2023 to be 15% higher than financial year 2022 assuming the labour shortage problem is not deteriorating any further.

In view of current strong CPO price, the management has re-adjusted its replanting programme with deferment on areas which continue to contribute reasonably good yield and planned to resume major replanting activity from year 2024 onwards.

As for palm oil milling operations, the management expects a total processing quantity of 1.5 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, Sabah to commence operations to supply power to Sabah Electricity Sdn Bhd ("SESB") grid by the end of second and fourth quarter respectively of the financial year 2023 and to contribute positively to our Group in terms of revenue and profitability.

CHAIRMAN'S STATEMENT
(CONT'D)

The recent development on relaxation of COVID-19 SOP transiting to endemic phase and vaccination progress worldwide as well as in the country is expected to move the business environment back to normalcy. Nevertheless, the management will remain vigilant and resilient on dealing with challenges and any potential adverse impact arising from the COVID-19 pandemic/endemic on the operations of the Group. It is fortunate that our plantation and milling operations were not affected during the pandemic period.

With the impact arising from the drought weather conditions in South America and Canada for the past few months, the Russia/Ukraine conflict since February 2022 as well as the export restriction policy of Indonesia, the disruption of supply of many commodities has caused the surge in prices of commodities as well as vegetable oils 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. The CPO price has been traded in a very volatile manner recently and the movement of CPO price has also become highly unpredictable and do not follow historical norms. The Group will continue to minimize the impact of volatile pricing on the performance of the Group in coming months.

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 from the current level of CPO price, especially the plantation operations. However, CPO price is generally susceptible to fluctuation of currency exchange rate, demand and supply of commodity and policies of major importing and exporting countries. Having said that, the Group also faces challenges such as a significant surge in cost of fertiliser likely caused by high international shipping costs and shortage of supply caused by trade sanctions as well as the belligerence between Russia and Ukraine, and higher labour costs as a result of shortage of foreign workers caused by movement restrictions during the Covid-19 pandemic.

ENVIRONMENT, SOCIAL AND GOVERNANCE ASPECTS

The Group has practiced a policy of zero burning in both new planting and replanting of oil palm for a long time. All our plantations and mills have achieved Malaysian Sustainable Palm Oil (MSPO) certification. Our employees are provided with modern, comfortable, and properly designed quarters with good quality water and electricity supply. We shall continue to improve our infrastructures and practices to achieve a higher level of sustainability.

The Group has also installed proper treatment systems as well as biogas plants to treat the highly polluting effluent (POME) generated by the milling process and capture the methane produced at our three palm oil mills. The biogas plants were installed and commissioned in the years 2008, 2010 and 2013 for the Kota Tinggi, Keningau and Telupid mill respectively. In the financial year 2022 alone, we recorded nearly 30 million M^3 of greenhouse gases (GHG) captured and destroyed or repurposed to generate renewable energy for sales as well as to reduce our dependence on diesel power generator.

All three mills had installed or under construction new high efficiency boilers as well as electrostatic precipitators to minimize the emission of soot and smoke into the atmosphere. Sale of palm kernel shell to local and foreign buyers as a renewable source of fuel from the three mills for many years had also contributed to reduction of carbon emission from the buyers.

Based on the above, we foresee the Group will continue to perform well for the financial year 2023.

APPRECIATION

I would like to take this opportunity to express my appreciation to the management and staff for their loyal and dedicated services to the Group, and to various government authorities and agencies, bankers, valued customers, suppliers and business associates for their co-operation and continued support.

Finally, I wish to thank my fellow Board members for their support and the shareholders for their confidence in the Board and Management of the Group.

Gooi Seong Lim
Executive Chairman
Johor Bahru, Johor
Date: 17 May 2022

MANAGEMENT DISCUSSION AND ANALYSIS

DESCRIPTION OF OUR GROUP'S BUSINESS AND STRATEGIES

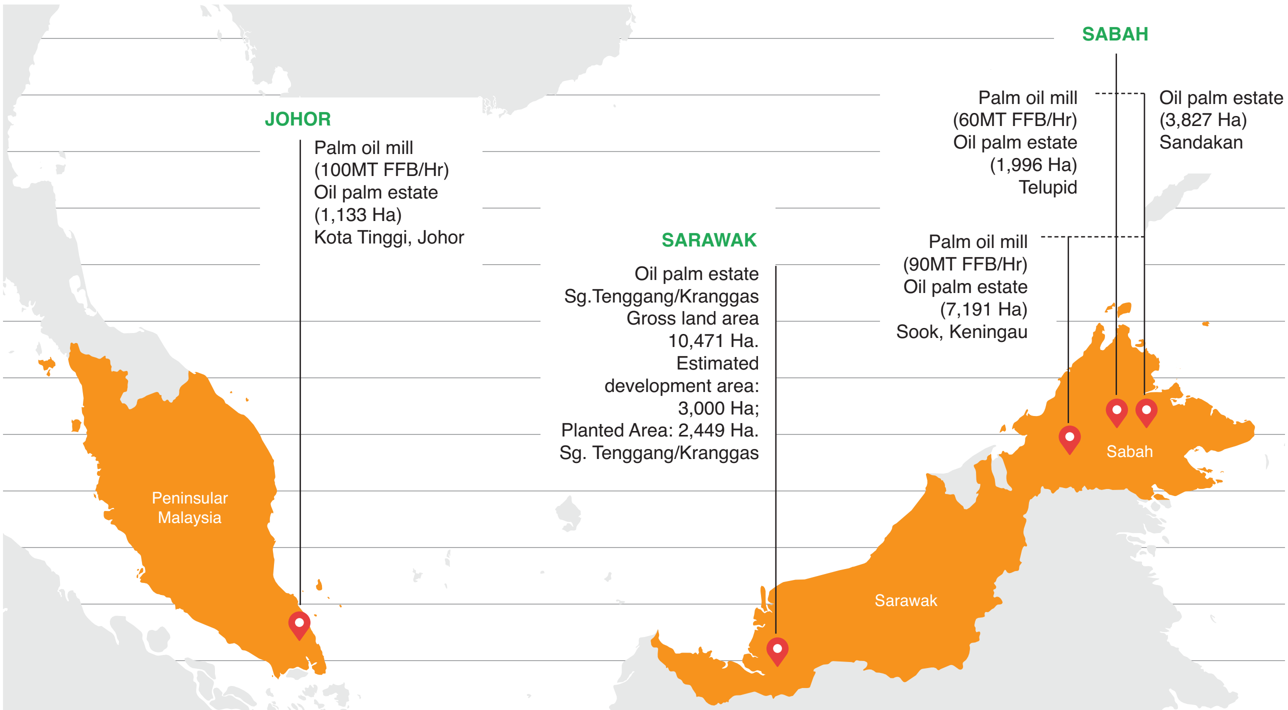
Kim Loong Resources Berhad and its subsidiaries (the "Group" or "KLR Group") are principally involved in investment holding, cultivation of oil palm, processing of oil palm fresh fruit bunches, marketing of oil palm products, processing of oil palm fibre and biogas and power generation.

The principal activities of the Group can be classified into two main segments: plantation operations and palm oil milling operations.

The Group's plantation landbank increased by 1,096 hectares ("Ha") during the financial year, and as at 31 January 2022, the Group's total plantation land holdings stood at 16,922 hectares ("Ha") of which 94% are fully planted with oil palms. Out of the total planted area, approximately 75% are mature above 6 years old, 7% are young mature below 6 years old while the remaining 18% are at an immature stage. Our plantations are located in the states of Johor, Sabah and Sarawak.

The Group also owns and operates three (3) palm oil mills which are strategically located within the vicinity of our plantations in Kota Tinggi, Johor and in Keningau and Telupid, Sabah. Our palm oil mills have a total FFB processing capacity of 1.5 million MT per annum.

LOCATIONS OF OPERATIONS



In order to facilitate the Group's progression and development in Sarawak, the Group will continue its efforts to secure a milling licence and set up a palm oil mill in Sarawak, and will continue to source for additional suitable plantation land in Johor, Sabah and Sarawak for expansion.

The Group remains committed in its effort to improve its operational efficiency and generate additional income from palm oil mill wastes through new innovation and technology.

Although there were COVID-19 cases reported in the operations, the Group's plantations and palm oil milling operations have been running largely as usual during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

FINANCIAL REVIEW

Revenue

Despite the global pandemic and macroeconomic environment challenges during the financial year, the Group delivered record financial results with a full year's revenue of RM1.70 billion for the financial year 2022 ("FY2022") as compared to RM971.68 million recorded for the financial year 2021 ("FY2021"), representing an impressive increase of 75% year-on-year, and setting a new milestone for the Group.

The strong performance in revenue was mainly driven by a significant jump in palm oil prices. Before inter-segments adjustments and eliminations, revenue from plantation operations has increased by 54% whilst the revenue from milling operations also improved by 76% as compared to the last financial year.

The average selling prices and production of Crude Palm Oil ("CPO"), Palm Kernel ("PK") and Fresh Fruit Bunches ("FFB") for the FY2022 and FY2021 of the Group are as follows:

Average selling price per metric ton ("MT"):-

	FY2022 (RM)	FY2021 (RM)	Change (%)
CPO	4,488	2,755	62.90%
PK	3,004	1,600	87.75%
FFB	832	520	60.00%

Sales quantity:-

Main palm oil milling products	FY2022 (MT)	FY2021 (MT)	Change (%)
CPO	312,134	292,053	6.88%
PK	76,148	69,817	9.07%
Plantation produce:			
FFB: to own mills	221,671	223,936	(1.01%)
to external parties	43,366	52,698	(17.71%)
Total	265,037	276,634	(4.19%)

Other Income

Other income for the year was RM12.92 million which was RM6.49 million lower as compared to RM19.41 million recorded in FY2021. It consisted mainly of interest income of RM5.45 million (2021: RM8.48 million) which made up 42% (2021: 44%) of total other income. Lower other income in the current year was also due to the recognition of RM7.62 million in insurance compensation in the previous financial year.

Cost of Sales

In view of higher production under the milling operations, the cost of sales increased by 80% or RM638.65 million to RM1.44 billion, mainly due to the higher cost of FFB purchased in milling operations resulting from the higher volume of FFB intake as well as higher price.

The production of CPO and PK, the major palm oil milling products, by the Group during the year has increased by about 10% whilst the FFB production of the plantation operations has dropped marginally by 4%. The summary of production of major products by the Group is tabulated below:-

	FY2022 (MT)	FY2021 (MT)	Change (%)
CPO	311,752	280,493	11.14%
PK	75,373	69,073	9.12%
FFB	265,037	276,634	(4.19%)

Unit Cost of Production of CPO

Despite a 10% increase in the cost of labour and factory overhead in palm oil milling operations, the unit cost of production (excluding raw materials) of CPO remains stable at RM225 per MT of CPO which was slightly lower than RM230 per MT of CPO in the FY2021, mainly due to higher throughput achieved. However, the total unit cost of production of CPO has increased by 24% to RM1,670 per MT of CPO mainly due to a surge in unit cost of FFB production and windfall profit levy. The windfall profit levy absorbed by the Group during the year was RM7.3 million, as compared to only RM0.70 million in FY2021, in light of higher CPO price. Besides, the unit cost of FFB production was driven higher due to a decline in FFB yield per Ha and further compounded by a shortage of labour and cost inflation.

Finance Cost

Finance cost recognised in the income statement has increased by 92% or RM0.93 million to RM1.94 million as compared to the FY2021 mainly due to drawing down of RM30 million term loan by a subsidiary from a licensed bank during the year.

Profit before Tax ("PBT")

On the back of record revenue, the Group's PBT has for the first time surpassed RM200 million mark and recorded an impressive RM210.33 million for the FY2022 which was 46% improvement from RM144.55 million for the FY2021.

Out of the RM65.78 million increase in the Group's PBT, the plantation operations contributed about 70% whilst the remaining 30% was contributed from the milling operations as a result of higher CPO and FFB selling prices and better processing margin achieved by the milling operations.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

Taxation

The effective tax rate for the FY2022 of 21.07% was lower than statutory tax rate. This was mainly due to certain income not subject to tax, utilisation of tax incentives and also the recognition of deferred tax assets on unused tax losses brought forward from expected utilisation against probable future taxable profit.

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders of the Company has improved significantly by 44% year-on-year to RM136.58 million as compared to RM94.89 million in the FY2021.

As for the earnings per share, the Group achieved 14.42 sen for the FY2022 as compared to 10.16 sen recorded in the preceding financial year.

Cash Flows

The Group's cash and cash equivalents (excluding short term funds) as at year end increased by 34% or RM77.25 million to RM307.50 million mainly due to the following:

(i) surplus cash generated from operating activities due to better profitability;
(ii) proceeds of RM44.53 million received from exercise of Warrants; and
(iii) drawdown of RM30 million term loan from a licensed bank.

However, the Group also spent RM100 million during the year for the purpose of acquisition of right-of-use assets, bearer plant and property, plant and equipment of which RM52.90 million was paid to the vendors of plantation lands upon taking physical possession in February 2021.

The Group's investments in short-term funds have declined slightly by 3% or RM3.59 million to RM102.28 million as compared to FY2021. It is expected that investments in short-term funds would generate a higher return as compared to conventional deposits with bank.

It is the Group's practice to include short-term funds as an important instrument in its cash flows and liquidity management. As at end of the financial year, the total short-term funds and cash and cash equivalents were RM409.78 million.

Share Price Performance

Our Company's share price performance for the period from February 2021 till 30 April 2022:

Source: Bursa Malaysia

During the financial year, the share price was traded between the range of RM1.34 to RM1.78 and closed at RM1.70 at the end of the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

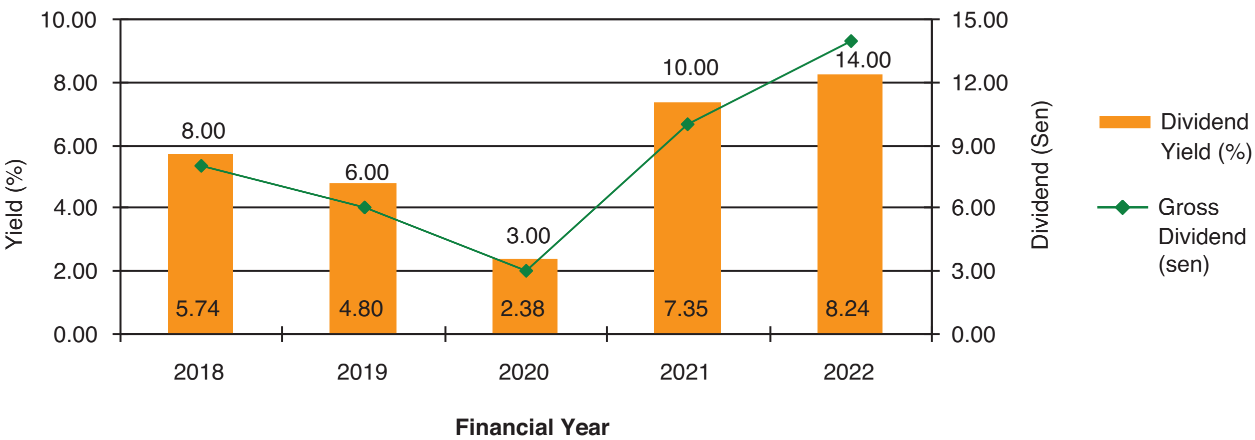
Dividend

With the accomplished financial performance achieved, the Company rewarded its shareholders by declaring an interim and a special dividend of 5 sen and 4 sen respectively during the year. The Board has also recommended a final dividend of 5 sen for the FY2022 (FY2021: 3 sen). Consequently, the total single tier dividend for FY2022 is 14 sen per share (FY2021: 10 sen per share).

The dividend payout ratio for the FY2022 represents close to 100% of the annual profit attributable to owners of the Company and achieved a remarkable yield of 8.24% based on the closing share price of RM1.70 at the end of the financial year.

The 5 sen interim dividend and 4 sen special dividend declared for the FY2022 have been paid on 18 November 2021 and 17 February 2022 respectively.

In the past four out of five years, the Group has recorded gross dividend yields that were far more attractive than returns from conventional deposits with bank, save for the FY2020 where the performance was seriously impacted by low palm oil prices.

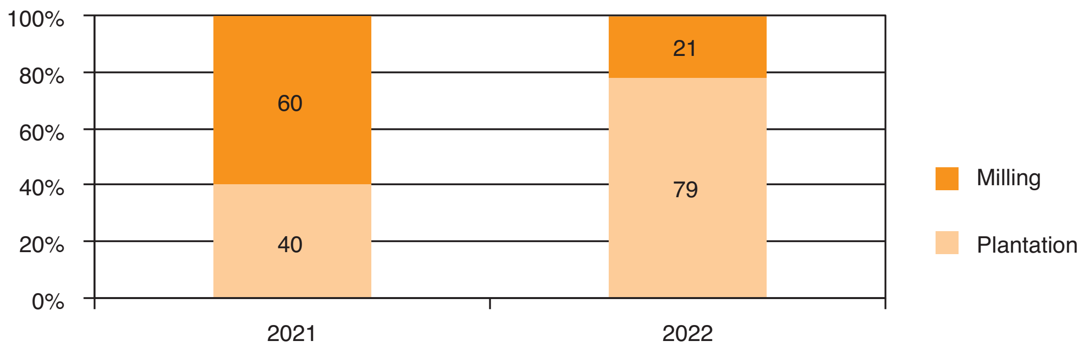


MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

CAPITAL EXPENDITURE

The Group recognised capital expenditure amounting to RM140 million in FY2022 which was about 3 times of RM46 million for the FY2021. The capital expenditure recognised for the plantation operations jumped from RM18 million to RM111 million mainly due to acquisition of plantation lands in Sabah. On the other hand, milling operations have incurred RM29 million during the year mainly for the acquisition of new boilers, electrostatic precipitator systems and capital expenditure in respect of Feed-in Tariff ("FiT") projects supplying power to SESB grid in Keningau and Telupid, Sabah.

Allocation of Capital Expenditure



REVIEW OF OPERATING ACTIVITIES

PALM OIL MILLING OPERATIONS

The Group's revenue from palm oil milling operations hit a record high of RM1.66 billion, representing a 76% increase year-on-year, mainly benefiting from a 63% higher average CPO selling price recorded for the financial year.

In terms of profit, the palm oil milling operations recorded a notable profit of RM96.12 million, an increase of 30% or RM22.35 million, as compared to RM73.77 million recorded for the last financial year. The higher profit achieved was mainly due to higher volume of production together with the uptrend of CPO price and better processing margin. Should the insurance compensation of RM7.62 million for the fire incident that was recognised as other income in FY2021 be excluded, current year's profit was 45% improvement year-on-year.

Despite a slight drop in the CPO extraction rate to 21.04%, the operations have achieved satisfactory processing margin throughout the financial year where the Group has also benefited from additional FFB intake. Overall, the Group's mills processed a total FFB quantity of 1.48 million MT during the current financial year, representing a 11% increase as compared to 1.33 million MT in the last financial year.

Total CPO production for the year under review was 311,752 MT, which was 11% higher than 280,493 MT recorded in the last financial year. The market conditions and demands for the Group's main milling products have been strong and stable during the financial year.

The sale of CPO, the main product, was up by 7% to 312,134 MT as compared to 292,053 MT in the last financial year. As of the year end, the Group's CPO inventory remained low at 3,900 MT.

The average selling price of CPO of the Group for the current financial year was RM4,488 per MT which was 63% higher than RM2,755 per MT in the last financial year.

The extraction rate for CPO and recovery rate for PK for the FY2022 and FY2021 are analysed as follows:

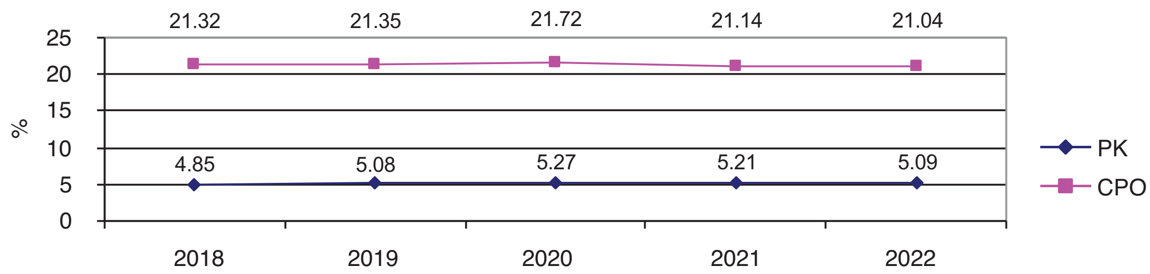
	FY2022	FY2021	Change (%)
CPO:			
KLR Group CPO extraction rate (%)	21.04	21.14	(0.47%)
Malaysia National CPO extraction rate* (%)	20.01	19.92	0.45%
PK:			
KLR Group PK recovery rate (%)	5.09	5.21	(2.30%)
Malaysia National PK recovery rate* (%)	4.88	4.90	(0.41%)

* *The statistics for Malaysia National CPO extraction and PK recovery rates are extracted from MPOB web-site based on calendar year 2021 and 2020 whilst the figures from KLR Group are based on its financial year (Feb - Jan).*

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

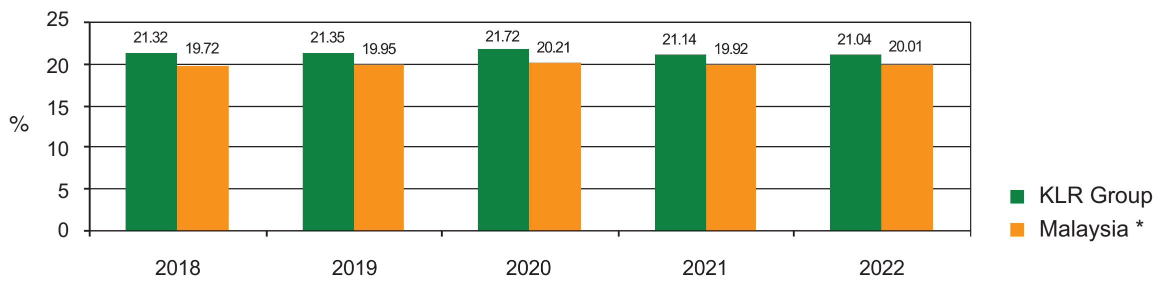
The Group's performance in terms of extraction/recovery rates are broadly consistent with the previous year. The extraction/recovery rates performance of the Group's milling operations have remained stable for the past five (5) years as shown below:

CPO extraction and PK recovery rates



Financial Year

The Group's average CPO extraction rates have outperformed Malaysia's National average extraction rates for the past five (5) years as tabulated below:



* *The statistics for Malaysia National CPO extraction rates are extracted from MPOB web-site based on calendar year 2017 - 2021 whilst the figures from KLR Group are based on its financial year (Feb-Jan).*

Currently, our three (3) palm oil mills have methane capturing facilities to reduce greenhouse gas emission into atmosphere. With the project of capturing methane gas implemented, the Group has successfully commissioned the utilisation of biogas in gas engines with total installed capacity of 3.5 megawatts. This has supplemented the power needs of the operations and together with better efficiency boiler/turbine, we have managed to maintain low usage of diesel consumed by gen-set and also minimised burning of palm kernel shell which can be made available for sales.

In the current financial year, we recorded nearly 30 million M^3 of greenhouse gas (GHG) captured and destroyed or repurposed to generate renewable energy for sales as well as to reduce our dependence on diesel power generator.

Besides supplying renewable energy to our own operations, the Group also participates in the projects to supply power to the grid using biogas engine. The plant at Kota Tinggi mill, which has an approved net export capacity of 1.8 megawatt per hour ("MW"), has contributed revenue of RM5.2 million for the current financial year. We have also received SEDA's approval for net export capacity of 2.0 MW and 1.5 MW for our Keningau and Telupid mill respectively.

The installation progress of plants under FiT projects at our Keningau and Telupid mill have been disrupted by the Movement Control Order ("MCO") during the year. The plant installation at Keningau mill has been completed and it is expected to commence operation to supply power to grid by end of second quarter of the financial year 2023 pending approval from relevant authority.

As for the plant at Telupid mill, the installation of biogas engines and construction of substation are in progress and is expected to commence operation by end of the fourth quarter of the financial year 2023.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

PLANTATION OPERATIONS

Revenue has jumped to RM220.57 million, representing an increase of 54% or RM77.43 million, as compared to RM143.14 million in the previous financial year on the back of 60% higher average FFB selling price.

In order to hedge against fluctuation in cash flows of estates arising from volatile CPO price, the Group took up Commodity Futures and Swap contracts during the financial year to lock in selling price of certain portion of forecasted FFB production of estates during the financial year. As a result, the Group has booked RM13.27 million fair value losses on derivatives, which were caused by the uptrend movement of CPO price, against its revenue for the year.

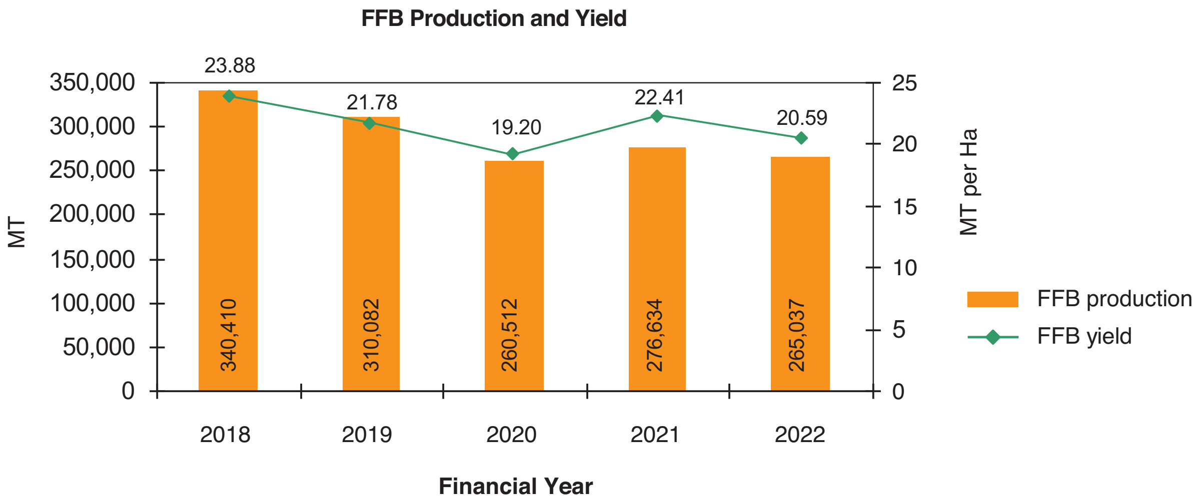
The profit from the plantation operations hit RM120.33 million, representing a remarkable 69% increase or RM49.18 million, as compared to RM71.15 million recorded for the last financial year. The increase in profit was mainly contributed by higher average selling price for FFB.

The Group's FFB production for the year under review was 265,037 MT in aggregate which was 4% lower than 276,634 MT achieved in the last financial year.

The production from the Group's estates (excluding the new estates) dropped nearly 14% as compared to the previous year. The drop was mainly from the Group's estates in the Keningau, Sabah region which accounted for about 36,000 MT, representing a 25% drop in production yield per hectare, due mainly to seasonal factor and a relatively higher yield achieved in the preceding year. Replanting activities and newly mature area are also contributing factors toward a lower production volume and yield.

On a positive note, the Group took physical possession of four (4) pieces of plantation land in the District of Kinabatangan, Sabah with net title area measuring approximately 2,708 acres or 1,096 hectares on 9 February 2021. The additional plantation lands with a total planted area of 1,042 hectares have contributed about 26,000 MT towards the Group's FFB production.

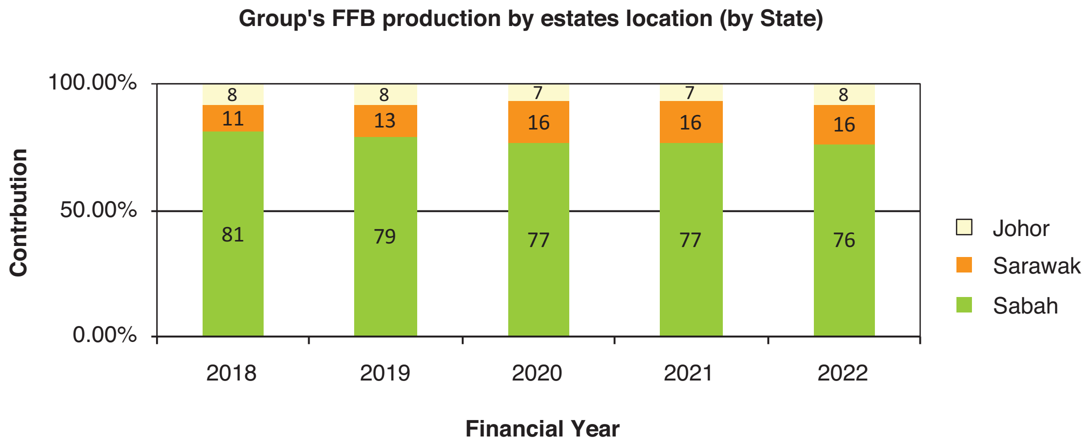
Nevertheless, the Group's average FFB yield performance has exceeded the average National FFB yield as published by Malaysian Palm Oil Board ("MPOB") for the past five (5) years. The plantation operations did not experience any problems in selling its FFB produce as most of the produce was supplied to mills within the Group. Tabulated below is the Group's FFB production and yield per Ha for the past five (5) years:

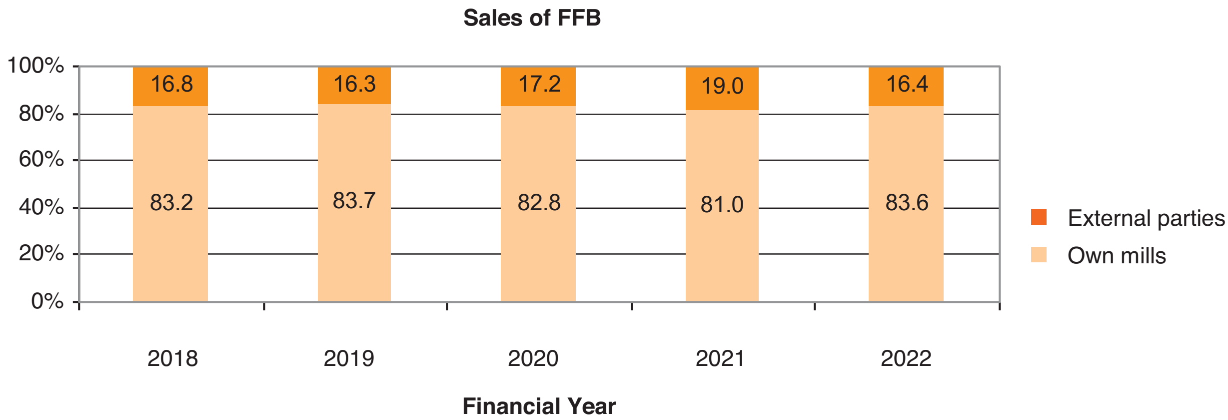


Out of the total average productive area during the year, 73% and 19% are located in Sabah and Sarawak respectively whilst the remaining is located in Johor.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

Most of the FFB produce was supplied to our own mills near the estates while the FFB produce from our estates in Sarawak was sold to third party mill. An analysis of production and sales of FFB is tabulated below:





Our average oil yield per Ha for Sabah estates has declined to 4.77 MT per Ha in the FY2022 as compared to 5.35 MT per Ha in the FY2021 mainly due to seasonal factors as well as newly mature areas which normally contribute to lower yield. Our overall Group's average oil yield has also declined to 4.44 MT per Ha as compared to 4.86 MT per Ha in the FY2021.

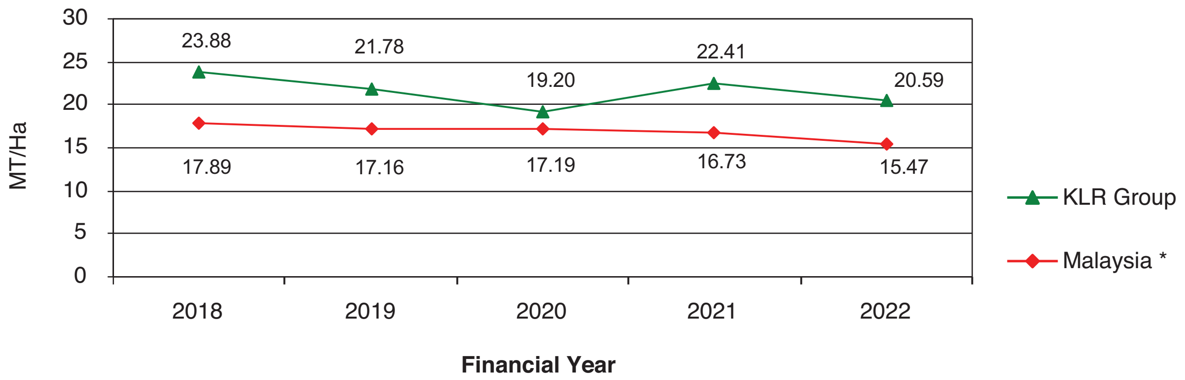
The yield per Ha analysis for FY2022 and FY 2021 can be analysed as follows:

	FY2022	FY2021	Change (%)
FFB Yield:			
KLR Group FFB Yield (MT per Ha)	20.59	22.41	(8.12%)
Malaysia National FFB Yield* (MT per Ha)	15.47	16.73	(7.53%)
CPO Yield:			
KLR Group Oil Yield (MT per Ha)	4.44	4.86	(8.64%)
Malaysia National Oil Yield* (MT per Ha)	3.10	3.33	(6.91%)

* *The statistics for Malaysia National FFB and CPO yields are extracted from MPOB web-site based on calendar year 2021 and 2020 whilst the figures from KLR Group are based on its financial year (Feb - Jan).*

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

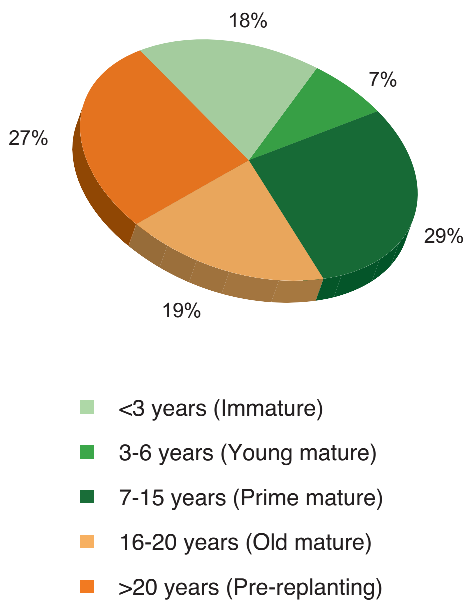
The Group's five (5) year FFB yield performance in comparison with the Malaysia National performance is tabulated below:



* *The statistics for Malaysia National FFB yield are extracted from MPOB web-site based on calendar year 2017 to 2021 whilst the figures from KLR Group are based on its financial year (Feb - Jan).*

As at 31 January 2022, the Group's total planted area (excluding land for infrastructure, area under development and unplantable land) is 15,939 hectares. In terms of age profiles of the Group's oil palm plantations, 48% of the planted areas are with palm age between 7 to 20 years old.

AGE PROFILE OF PALMS (AS AT 31 January 2022)



During the current financial year, the Group replanted 520 hectares of the plantation estates.

Moving forward, considering the current strong CPO price, the Management has re-adjusted replanting programme and planned to resume major replanting activity from year 2024 onwards.

RISKS EXPOSURE AND MITIGATION

The Group's business operations are within the plantation industry that is generally subject to the following major risks that may have a material effect on the Group's operations, performance, financial conditions and liquidity:

a) Volatility in palm oil commodity prices as well as foreign currency exchange rate;
b) Fluctuation in production of FFB due to seasonal cyclical as well as weather factors such as El Nino phenomenon.
c) Demand in palm oil products that may be adversely affected by alternative supply of oils and fats worldwide;
d) Policies of major importing and exporting countries;
e) Shortage in skilled labour in plantation sector; and
f) Increase in operation cost partly caused by up-going trend of minimum wages as well as increased recruitment cost for foreign workers.

There have been no significant changes in the above-mentioned risks since the previous financial year but in order to curb the spread of COVID-19, the Government has implemented MCO and imposed restriction on cross-country travelling during the financial year. Consequentially, the oil palm plantation industry has to deal with a difficult situation in recruiting sufficient foreign workers to optimise the efficiencies of the plantations.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

The management acknowledges that COVID-19 pandemic has caused serious impact on the global economy and unprecedented volatility in crude oil commodity price since year 2020. The recent development on relaxation of COVID-19 SOP transiting to endemic phase and vaccination progress worldwide as well as in the country is expected to move the business environment back to normalcy. The management will remain vigilant and resilient in dealing with challenges and any potential adverse impacts arising from COVID-19 pandemic/endemic on the operations of the Group.

The management constantly monitors the movements in palm oil commodity prices and may take steps to mitigate unfavourable movement in commodity prices, where necessary, to reduce impact on the Group's financial performance. To achieve this, the Group may use derivatives such as Futures and Swap contract to hedge against cash flow risks faced by the Group arising from volatile commodity price and the relevant impact on forecasted probable production.

Considering plantation is still a labour-intensive industry, it is unlikely to operate without manual labour. Therefore, the Group made every effort to manage its operations with limited labour force, and where possible, invest in mechanization and automation in its plantations as well as palm oil milling operations to reduce dependency on labour.

The Group also observes best practices in managing its plantation and milling operations such as adhering to requirements under MSPO certification scheme, manuring programmes recommended by Agronomists, and strict control to minimize oil loss, so as to achieve optimal operational efficiency in terms of both production quantity and quality.

DEVELOPMENT AND PROSPECTS

Plantation operations:

In respect of the progress of acquisition of lands in Sabah, the Group took physical possession of four (4) pieces of plantation lands with net title area measuring approximately 2,708 acres (1,096 hectares) on 9 February 2021. All Conditions Precedent for the 2,708 acres were fully fulfilled on 14 January 2022 and the acquisitions were completed on 12 May 2022. However, the Company has on 20 May 2021 decided to terminate the purchase of the remaining one (1) piece of land measuring approximately 139.7 acres due to unfulfillment of Conditions Precedent pursuant to the Sale and Purchase Agreement dated 19 February 2020.

In view of current strong CPO price, the management has re-adjusted its replanting programme with deferment on areas which continue to contribute reasonably good yield and planned to resume major replanting activity from year 2024 onwards.

To support our plantation operations in Sarawak, the Group will continue with its efforts to secure a milling licence and set up a palm oil mill in Sarawak.

For the financial year ending 31 January 2023, we forecast the FFB production to be about 15% higher than financial year 2022 assuming the labour shortage problem is not deteriorating any further.

With the unprecedented rally in CPO commodity price since year 2020 which still remains bullish, the management is of the view that the Group's plantation operations will benefit significantly from the expected high CPO price in the financial year 2023.

Milling operations:

The management expects a total processing quantity of 1.5 million MT of FFB for the financial year 2023.

On the projects to supply power to the grid using biogas engines, the installation of plants under the FiT project at our Keningau mill has been completed and it is expected to commence operation to supply power up to 2.0 megawatts to SESB grid by the end of second quarter of the financial year 2023.

As for the FiT project at our Telupid mill which is to supply up to 1.5 megawatts, the plant installation is near completion. Barring any unforeseen circumstances, we expect this plant to be commissioned and in operation by end of the fourth quarter of the financial year 2023.

Despite the volatile palm oil prices recently, the management expects the milling operations to perform satisfactorily on the ground of good production efficiency as well as competitive pricing for sourcing FFB supply. In general, palm oil milling business is less sensitive to volatility of palm oil prices.

General:

With the impact arising from the drought weather conditions in South America and Canada for the past few months, the Russia/Ukraine conflict since February 2022 as well as the export restriction policy of Indonesia, the disruption of supply of many commodities has caused the surge in prices of commodities as well as vegetable oils 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. The CPO price has been traded in a very volatile manner recently and the movement of CPO price has also become highly unpredictable and do not follow historical norms. The Group will continue to minimize the impact of volatile pricing on the performance of the Group in coming months.

However, CPO price is generally susceptible to fluctuation of currency exchange rate, demand and supply of commodities and policies of major importing and exporting countries. Having said that, the Group also faces challenges such as a significant surge in cost of fertiliser likely caused by high international shipping costs and shortage of supply caused by trade sanctions as well as the belligerence between Russia and Ukraine, and higher labour costs as a result of shortage of foreign workers.

Based on the above, we foresee the Group will continue to perform well for the financial year 2023.

SUSTAINABILITY STATEMENT

This Sustainability Statement ("Statement"), has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), sets out what the Board considers as material sustainability risks and opportunities, collectively known as Material Sustainability Matters ("MSMs"), that impact the way the Group's operations are carried out as well as how such MSMs are managed to achieve the strategic objectives of the Group. This Statement also explains the governance structure of the Group in overseeing sustainability matters and how measures are being deployed to achieve their desired results. The contents of this Statement encompass the entire Group's operations. In preparing this Statement, the Board has considered the Sustainability Reporting Guide and its accompanying Toolkits, issued by Bursa Securities.

Kim Loong Resources Berhad ("Kim Loong") group's principal activities, which remain largely unchanged during the financial year ended 31 January 2022, comprise investment holding, cultivation of oil palm, processing of oil palm fresh fruit bunches and marketing of oil palm products, processing of oil palm fibre and biogas and power generation. These businesses are streamlined into two (2) main segments, namely plantation operations and palm oil milling operations.

As a responsible corporate citizen, the Company, via its Board of Directors ("Board"), is mindful of the need to have, and supports a growth strategy that incorporates sustainable development and management.

Our sustainability management are guided by the four key principles. The Group, in all its undertaking seeks a balance between all four pillars to ensure the Company creates constructive and long-term shared values for our stakeholders, whilst managing risks in a holistic manner.

ENVIRONMENT

- To practise responsible stewardship on the environment given that our business is closely related to nature.
- To adhere to the principles of sustainable development for the benefit of current and future generations.

COMMUNITY

- To build mutually beneficial relationship with the communities where we operate and with society at large through active engagements.
- To enrich the communities where we operate.

WORKPLACE

As our people is our most important asset, we strive

- To create a conducive and balanced working environment encircling good practices, safety and well-being of employees.
- To attract and retain talent, and nurture our employees to enable them to realise their full potential.
- To remunerate employees commensurating to their academic and work achievements.
- To provide continuous development through training and further academic learning.

MARKETPLACE

- To conduct our business with honesty, integrity and a commitment to excellence.
- To personify exemplary corporate governance and transparent business conduct.

Our Sustainability Governance Structure

The Group has established a Risk Management and Sustainability Committee ("RMSC"), helmed by the Managing Director and other Executive Directors of the Company as well as Heads of Business Units of the Group as Committee members. The RMSC, which assists and reports directly to the Board on risk management and sustainability matters facing by the Group, is supported by a working group comprising the Managing Director and other Executive Directors, Heads of Business Units and key Management staff. The working group is involved in the identification of MSMs, as well as the management of MSMs, which are deliberated at the RMSC and the outcome thereof is disseminated to the Board for notification and comments, as the case may be.

The roles of each team in the Sustainability Governance Structure are as follows:

Board of Directors	• Evaluate the overall strategies, direction of Kim Loong and agenda for implementation towards sustainability. • Conduct the final review and approval on sustainability matters relating to the Group.
Managing Director	• Monitors the strategies, direction and agenda for implementation towards sustainability. • Drives the Group's sustainability agendas. • Approves the sustainability strategy and framework.
Risk Management & Sustainability Committee ("RMSC")	• Evaluates overall sustainability risks and opportunities and develops the sustainability strategies with agenda for implementation. • Monitors sustainability implementation to ensure compliance from all departments at operational level. • Resolves critical or major sustainability issues that may impact the Group. • Periodically reviews the progress of sustainability implementation and reports to the Board. • Reports to the Board of any unresolved critical sustainability issues.
Working Groups (Plantation)	• Promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in all plantations. • Ensuring resources and procedures are in place to achieve its sustainability commitments and targets. • Continuously improves the management system to meet Malaysian Sustainable Palm Oil ("MSPO") Standard. • Periodically reports to RMSC on the progress of sustainability implementation in plantation. • Reports to RMSC of any critical or major sustainability issues in plantation.
Working Groups (Milling)	• Promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in mills. • Ensuring resources and procedures are in place to achieve its sustainability commitments and targets. • Continuously improves the management system to meet the requirements of MSPO and other Quality Management Systems. • Periodically reports to RMSC on the progress of sustainability implementation in mills. • Reports to RMSC of any critical or major sustainability issues in mills.

SUSTAINABILITY STATEMENT
(CONT'D)

Our Stakeholder Engagement and Prioritisation

The Group's stakeholder identification process is based on an exercise of identifying key external and internal stakeholders which have a substantial impact on the Group or upon which the Group has a substantial impact. The Group's businesses have a relatively wide reach and affect not only commercial stakeholders but also communities and other entities who have non-financial interest in the impact of the Group's activities.

Continuous and meaningful engagement with our key stakeholders is integral towards understanding and fulfilling their expectation to ensure the Group's business continuity and sustainability. The stakeholder identification and prioritisation process were carried out by the RMSC and key Management personnel.

The Group utilises different approaches to engage with our key stakeholders. Outlined below is an overview of the Group's engagement with key stakeholders as well as concerns raised throughout FY2022 and our response to these concerns.

Stakeholder group	Method of engagement	Key topics and concerned raised	Group's response
Employees (including field workers)	• Roll call/daily muster • Annual appraisal • Circular of internal policies • Sports and recreation activities • Committee meetings (Gender, Joint Consultative Committee, Occupational, Safety and Health ("OSH") etc) • Informal gathering to enhance bonding • Internal training • Stakeholder meetings	• Operational concerns • OSH issues • Other organisation wide issues	• Enhance better understanding and awareness among employees on Group Policies, sustainability requirements and compliance • Improve mechanism for complaints and grievances • Stricter enforcement on Safety Policy and more OSH and relevant Safe Operating Procedures training
Board of Directors	• Board meetings • Site visits	• Progress of sustainability matters • Group's performance • Strategic planning	• Better understanding of Group's sustainability progress and initiatives
Customers	• Meetings with the management • Site visits • One-to-one meeting • Contract negotiation	• Greenhouse gas ("GHG") emissions, discharges and waste management, high carbon stock, peat development • Human and workers rights, social welfare, and OSH • Sustainability certifications	• Create awareness of the Group's commitment to sustainability and better understanding of our policies, cultures and values.

Stakeholder group	Method of engagement	Key topics and concerned raised	Group's response
Suppliers and Contractors	• Meetings with the management • Visits to estates and mills • Contract negotiation • One-to-one meeting • Stakeholders meeting	• Biodiversity & conservation, GHG emissions, discharges and waste management • Deforestation, high carbon stock, peat development • Workers rights, social welfare and OSH • Product quality	• Raise awareness of the Group's commitment to sustainability • Better understanding of the Group's business activities • Payment terms and timeliness • Work ethics
Shareholders and Investors	• Meetings with shareholders (Annual General Meetings) • Announcements to Bursa Securities, details of which may be accessed by shareholders • Company's corporate website	• Free, Prior Informed Consent ("FPIC") • Group's Financial and Operating Performance • Risk Management and Internal Control System • Corporate Governance • Reporting Standard	• Maintain good relationship and positive reputation amongst investors constructive feedback
Government agencies, regulatory and certification bodies	• Inspections by the agencies • Attends workshops and trainings • Meeting with the regulators • Correspondences with regulators on requirements • Stakeholders meeting	• Compliance with legal requirements • Human and workers' rights, social welfare, OSH, equal treatment, code of ethics and governance • Product quality, supply chain and evaluation of supplier / contractors' sustainability commitment	• Support and contribute to the development of national sustainability standards
Small holders and local communities	• Awareness briefing • Meetings • Circulars/Notices • Dialogue session • One-to-one communications • Stakeholders meeting • Community out-reach activities and development program	• Job opportunities in KLR for the locals • Donations • Road maintenance for local accessibility	• Conduct social impact assessment • Established human rights policy • Amicable solutions on conflicts and grievances • Give priority to employing qualified and eligible local • Contribute and donate to community needs and development • Improved road access

SUSTAINABILITY STATEMENT
(CONT'D)

The feedback from engagement with key stakeholders is considered in evaluating whether a sustainability risk and opportunity is considered material to enable pertinent responses to be factored in the Group's strategies.

Our Materiality Assessment Process

Materiality, in sustainability terms, is not limited to matters that may have a significant financial impact on our Group but also includes matters that may impinge on our ability to meet present and future needs. Our definition of materiality is drawn from the Sustainability Reporting Guide provided by Bursa Securities, where material issues are defined as such if they:

- reflect an organisation's significant Economic, Environmental and Social impacts; or
- substantively influence the assessment and decisions of stakeholders.

Accordingly, we believe that the results for FY2022 stemmed largely from, inter-alia, the Group's continuing emphasis on human capital development and retention, sustainable environmental practices and focus on community development, which have been identified as the Group's Material Sustainability Matters.

Sustainability Policy

We have developed a Sustainability Policy to strategically position sustainable business practices at the core of our operations. Our Policy also sets out our commitments to "No Deforestation, No Peat and No Exploitation" - or NDPE. We believe that maintaining these standards is crucial for us to be a reliable, responsible and sustainable producer of quality palm oil.

ECONOMIC

Performance and achievement

On the back of a revenue amounting to RM1.70 billion for the financial year 2022 as compared to RM971.68, million recorded in the preceding financial year, the Group recorded a pre-tax profit of RM210.33 million for FY2022, which was 46% higher than RM144.55 million for FY2021.

The Group is committed to provide quality products and services in meeting prevailing standards and expectations of the market and our customers through our available resources.

Malaysian Sustainable Palm Oil ("MSPO") Certification

MSPO is a mandatory national sustainability certification scheme for the oil palm industry in Malaysia, covering the whole supply chain from oil palm plantations to downstream facilities. All oil palm industry players in Malaysia are mandated to be certified under the MSPO certification scheme by the end of 2019.

The MSPO Standards contains seven principles which form the general requirements of a management system framework, based on the three pillars of sustainability: economically viable, socially acceptable, and environmentally sound. The seven principles are:

Principle 1 - Management commitment and responsibility
Principle 2 - Transparency
Principle 3 - Compliance to legal requirements
Principle 4 - Social responsibility, health, safety and employment conditions
Principle 5 - Environment, natural resources, biodiversity and ecosystem services
Principle 6 - Best practices
Principle 7 - Development of new plantings

SUSTAINABILITY STATEMENT
(CONT'D)

The new addition to the MSPO certification scheme is the MSPO Supply Chain Certification Standard ("MSPO SCCS"), which was launched on 1 October 2018. The standard which is applicable to the oil palm downstream industry covers management requirements and traceability of the production throughout the supply chain from the raw materials to processing and manufacturing of palm and palm oil-based products. The mandatory timeline is by 1 January 2020. All the three palm oil mills in the Group have successfully passed the audit under this scheme.

In this reporting period, we successfully completed an annual surveillance audit as mandated by MSPO Oil Palm Management Certification (Parts 3 and 4 of the Principles and Criteria) as well as under the MSPO SCCS. Prior to the audits by the MSPO accredited auditor, the SIRIM QAS International and NIOSH Certification Sdn Bhd, we conducted our internal audit and management review of our MSPO and SCCS systems.

Responsible Sourcing

Transparency in the supply chain and responsible sourcing practices are increasingly important to customers as their own operations and procurement come under scrutiny. Commercial success depends on our customers having confidence in our products and their origins. We are committed to excellence in supply chain relations to encourage transparent, responsible, and profitable practices. We regularly engage with our suppliers to ensure that expectations are communicated. Assessments and audits of our supply chain are also carried out on a routine basis.

As part of our efforts to manage our supply chain, we underline the importance of traceability as part of our internal procurement and supplier management processes. For our estates, we are able to trace fresh fruit bunches ("FFB") produced from various stages, including source of the seedlings, planting, harvesting and transportation.

To establish the traceability of each tonne of palm oil, the Mill has records of the following:

- Name, parent company, address
- Geo-Coordinates of plantations
- Refinery dispatch number
- Certification status

ENVIRONMENTAL

Being cognizant of the impact its operations may have on the environment, the Group has undertaken the following salient sustainable practices throughout the financial year under review.

Water Management

Water is life. Therefore, the availability and sustainability of clean water is essential for our sustainability. Resolving the challenges of the future requires a thorough re-evaluation of how water is managed on our estates and palm oil mills and how this can be repositioned in the broader context of overall water resources management and water security.

SUSTAINABILITY STATEMENT
(CONT'D)

From business point of view, maintaining a clean and uninterrupted supply of water constitutes one of the most critical components in sustainable palm oil production. Water is crucial not only for the well-being of our crops but also in other areas of our operations such as the well-being of our workers and to generate steam for processing.

In line with our efforts to conserve water on our estates, we plant leguminous cover crops, wherever suitable during replanting process to reduce evaporation water losses and conserve soil moisture storage. In our estates, we have also constructed water conservation pits where appropriate to collect water for irrigation purposes.

The Group recognises that maintaining good water quality is vital for safeguarding the health of our employees as well as of the local communities.

Measures taken included setting up water treatment plant to process and supplying clean water safe for human consumption. Collection of water sample is carried out at least once a year for testing of water quality to ensure that it is safe for drinking and other daily usage.

The milling operations reduce water consumption by using technology as well as recycling of water to reduce the amount of effluent discharge.

Water Sampling

Our mills and estates share rivers with local communities, hence it is our responsibility to prevent contamination of the rivers due to effluent and water discharge from our operations. To do so, we conduct water sampling in these rivers. Water sampling is conducted by external laboratories and the results are retained for reference. To date, there have been no instances of water contamination in rivers surrounding our operations.

Zero burning in land clearing

The Group adheres strictly to the policy of zero burning in both new planting and replanting of oil palm. Zero burning not only keeps the air smoke-free but yields several benefits as well. The remnant debris, comprising bushes or small trees which are felled, are shredded and spread in the field to biodegrade, releasing nutrients slowly, adds valuable organic matter to the soils, reducing the use of fertilisers during the immature period. This policy is incorporated in the land clearing contract in which external contractors are engaged.

Soil enrichment and conservation program

The Group has implemented some of the Good Agriculture Practices ("GAP") and recognises the importance of managing various types of soil in plantations as it is a key contributor to crop productivity. A healthy soil can sustain healthy and productive palms and provide viable environment for beneficial animals and soil microbes. Some of the GAP carried out are as follows:

- Planting of leguminous cover crop in new planting and replanted areas. The fast-growing plants provide cover to protect the soil and build up nutrients in the topsoil.
- Solid organic waste material generated from the milling operations such as decanter cake and empty fruit bunches ("EFB") are applied in fields, especially at marginal soil areas.
- Maintaining of soft grasses in palm avenues.
- Field application of oil mill processing co-products such as treated palm oil mill effluent ("POME") and decanter cake.
- Conservation of soil and water by building conservation pits and bunds, terracing, roadside drainage and sumps and water catchment ponds.

Fertiliser management program

The management of fertiliser application processes in our Group is documented in our standard operating procedures. Monitoring practices are also put in place to ensure optimum dosage and uptake of nutrients by the palms. Oil palm nutrient requirements are determined through yield performance profile of the palm trees, soil and leaf analysis conducted by an independent Agronomist team. Recommendations for type and dosage of fertilisers are given to the respective estate based on these analysis. This prescriptive practice allows a more precise and efficient application of fertilisers with minimum wastage. Fertiliser application is timed during months where rainfall is at moderate levels to prevent runoff losses and potential volatilisation losses during dry months. In addition, the quality of fertiliser to be applied is also periodically assessed by taking samples and sending to independent labs for testing of nutrient contents.

Integrated Pest Management ("IPM")

IPM is a component of GAP which incorporates use of cultural, biological, mechanical and physical methods to minimise use of chemicals and pesticides. Implementation of IPM, wherein responsible use of chemicals and pesticides is paramount to ensure safety of our workforce, local communities and the environment where we operate. This is achieved through due diligence and justification process prior to use of chemicals and pesticides, thus limiting introduction of hazardous agents to the open environment.

IPM also enforces the requirement for the Group to proactively work towards reducing the usage of chemicals and pesticides by applying alternative non-hazardous means of pest management like using native biological controls. This approach requires surveillance and monitoring of pests and diseases and ensures no prophylactic use of chemicals and pesticides unless in exceptional circumstances as identified within the local legal requirements.

Some of the IPM techniques carried out by the Group include:

- Propagation of beneficial plants such as Cassia Cobanensis, Antigonon Leptopus and Turnera Subulata to increase population of predators of pests that could control the population of bagworms and nettle caterpillars on our Group's estates.
- Use of pheromone traps to minimise damage to young palms rhinoceros beetles.

To enhance the effectiveness of IPM and safe use of chemicals and pesticides, training and field demonstrations are regularly conducted by the chemical suppliers for estate personnel from our management to our workers. This training encompasses identification of various pests and diseases in oil palm, safe procedures to apply chemicals and pesticides, and the proper procedures to adhere to in managing the pests and diseases of oil palm.

Real Time Monitoring of Agronomic Conditions Using Drone

Technological advancements have enabled our usage of drones in monitoring our planted areas on our estates. Equipped with cameras and controlled remotely, the drones take aerial photographs of plantation areas on a large scale, using photogrammetry techniques. These photographs help us remotely determine the plant populations post replanting and the physical variations, plant health, and condition of each plant block (e.g., cover crops, weeds, etc). We are able to quickly identify blocks with less ideal conditions and mitigate the issues to maximise yield while improving productivity.

SUSTAINABILITY STATEMENT
(CONT'D)

Waste and effluent management

The Group follows waste management best practice for our estates and palm oil mills and we seek to recover and re-use all waste where possible. The waste produced from our production processes include empty fruit bunches (EFB), mesocarp fibre, and palm kernel shells. These are used as energy or fuel and composed or mulched as organic fertiliser. EFB is applied as mulch to conserve moisture, improve soil fertility, and reduce weed growth.

Palm Oil Mill Effluent ("POME") is properly treated and monitored by assigned competent person to ensure full compliance with the Environmental Quality (Industrial Effluent) Regulations 2009 requirements. Our effluent treatment system is adequately designed to meet the discharge parameters mandated. However, the quality of discharge may be influenced by various factors including quantity of FFB milled and rainfall. The DOE comes for regular site inspection and collects effluent sample at final discharge point for analysis.

In addition, the POME is also used as fertiliser through land application. POME application as fertilisers helps add extra nutrients to the soil hence might boost yields of oil palm production.

This ensures that communities downstream of our palm oil mills are also able to enjoy the use of water resources.

Hazardous Waste Management

All scheduled wastes are handled in accordance with the Environmental Quality (Scheduled Wastes) Regulation 2005 requirements. Assigned competent person for all operation sites will periodically submit reports through DOE online reporting system (Electronic Scheduled Waste Information System).

The Group has always been committed towards the regular monitoring of the use of waste, especially those categorized as hazardous materials, which consists of used lubricants, used rags, used batteries, used filters, empty paint cans and printer cartridges, and needles from health clinics. We adhere to the government regulations on hazardous waste handling.

At all operations hazardous waste is safely segregates, labelled and stored. Our storage facilities are equipped with accidental spill containment kits, firefighting gears, shower/eyewash and first aid kits.

We work with authorized and licensed third party to further process, recycle, and transport hazardous waste for proper disposal in accordance with national legislations and international best practices. Each type of hazardous waste will be handled in accordance with the regulations and procedure stipulated by the authorities.

Safety and Health Officers based in our mills have been properly trained and are qualified to monitor and ensure that the hazardous waste management practices are in accordance with the rules. For our estate, there is at least one person trained to perform the task.

Reduction of greenhouse gas emission

The Group has successfully implemented three (3) methane capture and power generation projects at its three (3) mills which reduce greenhouse gas emissions as well as supply low-cost steam and electricity for milling operations and other downstream activities of the Group. The project implemented in our Kota Tinggi mill was the first project on biogas generated from POME that is registered with the Clean Development Mechanism ("CDM") Executive Board of United Nations Framework Convention on Climate Change. As a result, better utilisation of energy from waste material and biomass contributes towards reducing the environmental impact and improving sustainability of the palm oil industry.

Riparian reserves

Riparian reserves are areas of conservation between land and rivers teeming with life from the habitats of flora and fauna. The importance of identifying these areas for conservation lies in their role of supporting local ecosystems as well as maintaining water and soil quality. As part of our efforts, we have identified and incorporated buffer zones and riparian reserves within our plantations.

To manage and preserve our riparian reserves, we plant legumes cover crops ("LCC") to prevent soil erosion.

SUSTAINABILITY STATEMENT
(CONT'D)

High Bio-diversity Assessment (HBV)

We have carried out HBV assessments in our plantations and we have identified protected species in our surrounding areas. To protect the rich biodiversity in our rainforest, we operate a strict zero tolerance policy towards hunting, destroying, logging or burning of protected species and wildlife.

Training on HBV Monitoring and Rehabilitation is conducted for employees in our estates. This training aims to ensure that knowledge on HBV management and implementation of best-practices is fresh and relevant.

Prudent use of paper practices

We acknowledge that the environmental impact of paper usage is significant. Our approach is to avoid unnecessary paper consumption and waste generation, where possible and appropriate. We always look at ways to reduce paper usage and encourage the usage of electronic platforms such as WhatsApp social media, SMS and email as efficient alternative modes of communication with our suppliers and customers and for our day-to-day internal operations, and to use recycled paper to print any document where possible.

Electronic publications

To reduce the consumption of paper, the Annual Report of the Company is published on the Company's website for access by shareholders and investors.

SOCIAL

Human Capital Management

To ensure the sustainable growth in our business, we must ensure our operations perform well and that means safely, productively, cost effectively and reliably. We invest in our people to drive this performance.

The Group is aware that the quality of its people is crucial to deliver its strategy and to ensure its future success and, therefore, aims to create a positive work culture in the workplace where employees are able to constantly learn new skills and improve their efficiency in carrying out their tasks, with the intent of improving their quality of living as an individual. The Group has a total workforce of 1,392 at 31 January 2022 of which about 55% are Malaysian.

The Group continues to place high emphasis on developing its human capital, the organisation's most valuable asset as it is a significant resource in the labour-intensive agriculture sector. All the more so as the sector has over recent years been experiencing severe labour shortages.

In view of above, the Group has invested heavily on employee housing, provision of free/subsidised electricity and free water supplies to the employees in the estates and mills with the objective of alleviating the living conditions of residents. In addition, the Board has emphasised on talent development, motivation and retention measures, including safety and health imperatives.

Due to the intense competition amongst plantation companies in recruiting estate employees and workers, our Group offers attractive and fair recruitment packages.

SUSTAINABILITY STATEMENT
(CONT'D)

Fair Remuneration

We provide competitive and fair remuneration to reward employees for their expertise and commitment to our business sustainability and long-term success. Our remuneration approach is designed to inspire our employees to be their best and to embrace our core objective and shared values. Remuneration and compensation are all based on competency, achievement and experience.

Human and Workers Rights

The Group is committed to ensure the dignity and rights of our workers are respected in line with legal regulations and the United Nations' guiding principles on human rights.

Our commitments include the following:
- Providing, for all employees, a safe environment free from discrimination and violence on any ground, and from harassment at work including sexual harassment.
- Ensuring employees are paid based on legal requirement on minimum wage.
- Prohibiting child labour and forced labour within our organisation.
- To resolve all complaints and grievances of employees through a standard procedure.
- The passports of foreign workers are made available at any time.

Freedom of Association & Collective Bargaining

The management respects the rights of employees and workers to form and join trade unions of their choice and recognises their rights to bargain collectively for their mutual benefit. We believe that building harmonious relationship with employees enhances our organisational productivity and performance.

Working Hours

Working hours for our workforce are compliant to national laws and industry standards. Overtime is voluntary and shall not exceed the limit provided in the national laws, collective agreements or industry standards. The Company ensures appropriate safeguards are in place to protect workers' health and safety when overtime work is practiced by the workers.

Diversity & Inclusion

In respect to diversity and inclusivity, the Group is committed to ensure equal opportunities to all employees irrespective of their gender, racial, religious or socioeconomic background. We consistently nurture the development of our human assets within conducive workplace by fostering an inclusive culture and promoting cultural diversity as well as having active employee engagements.

The plantation industry is traditionally dominated by men as the nature of work is often arduous and entails manual labour. We are actively encouraging women to join all aspects of our ever-growing operations. The Group establishes gender committees at all our estates and palm oil mills to safeguard the interest of our female workforce.

Ensuring The Welfare of Our Employees and Their Families

On top of the remuneration and benefits for our employees, the Group extends our employees' benefits to their families as we believe this can help us to attract and retain the best talents to work and grow together.

The employees' families benefit programs focus on education and day care centre for children of our employees, which include transportation facilities for our employees and workers who are working in our mills and estates. Considering convenience and safety, we build schools and day care facilities for children of our employees within the estate's vicinity. We hope through these education and day care centre facilities, our employees can rest assured the well-being, safety, education and development of their children while they can continue working.

We have initiated a collaboration with the Borneo Child Aid Society, known locally as Humana, a NGO dedicated to assisting marginalised children. In partnership, we wanted to bring free and basic education to the children doorstep, rather than the children seeking education outside of our plantations in the state of Sabah, Malaysia. At the same time, this would encourage the parents, who are plantation workers, to allow their children to attend classes and reduce their burden to provide education and caregiving during working hours.

Our commitment include: -
- Find suitable and conducive venues to build a school, accessible within the plantation.
- Provide furniture and other basic amenities
- Provide accommodation and other benefits for teachers
- Organise transport for students to ensure that they get to school on time, reducing the financial burdens for parents
- Undertake all running costs associated with the operation and maintenance of the school

The workers' children have access to quality education aligned with the national school syllabus. In Sabah, we have established 4 units of Humana Schools.

Sexual Harassment Policy

Kim Loong Resources Berhad has a sexual harassment policy in place which must be observed by all our workforce, contractors and suppliers. This policy prohibits all forms of harassment behaviour that may create an atmosphere of hostility and intimidation of any kind at the workplace. No one should be subjected to any form of sexual harassment while carrying out their duties.

For the financial year 2022, no sexual harassment or sexual related cases was reported for the entire Group.

Improving the quality of life

The Group has carried out the following activities to improve the quality of life and foster a sense of belonging in the Group:
- Various staff activities, including festival celebrations and sporting events through the In-house Sports/Welfare Club with close observation on compliance to COVID-19 procedures;
- Employees were encouraged to cultivate their own vegetables for food production in designated areas within the estate/mill to enhance food sufficiency by providing seeds and young plants, including fruit tree planting within the housing compound. These initiatives were supported through the provision of planting materials, agro-fertilisers and bio-mass inputs. The produce was then distributed among employees;
- Retail prices for essential food items at the grocery shops in the estates were monitored to ensure that those items were reasonably priced.

Code of Conduct

A key element to our sustainability framework is our Code of Conduct. We have implemented responsible and ethical business policies and practices in our operation.

The Government in line with its anti-corruption drive has announced that S17(A) MACC Amendment Act (2018) which came into force on 1 June 2020. To comply with this new enactment, the Code of Conduct was reviewed and expanded to include all associated persons as defined under the Act. The changes were made are as follows:

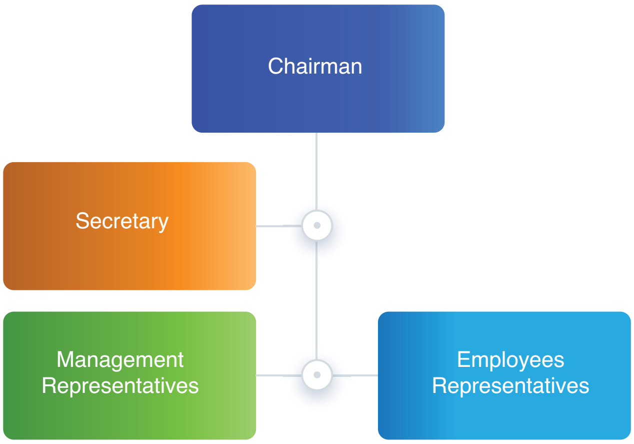
- We have a zero-tolerance to fraud, bribery, and corruption and this applies to all dealings by our directors, employees, suppliers, consultants, agents and any persons associated with us.
- As a responsible corporate citizen, we shall continue to give scholarships and donations to deserving cases on the condition that this is not corruptly given as defined under Section 17 A(1) of MACC Amendment Act 2018.
- We do not prohibit the giving of meals and gifts in the course of business dealings as long as these are of reasonable value, not in cash and are not corruptly given.
- Corruption and bribery risk assessment was done and adequate procedures have been put in place to minimize the exposure to the Group.
- Directors and officers have been sent for training to familiarize themselves with S17A MACC Amendment Act (2018). In-house anti-bribery training has been and will continue to be conducted in all operating units. Associated persons like contractors, agents, consultants and suppliers with bribery risks have been made aware and they have undertaken to comply with this Policy.
- The Head of Assurance and Governance Department has been appointed as the Compliance Officer responsible for anti-corruption compliance matters and he is to report all his findings on this area to the Chairman of the Audit Committee who is an independent director. The Chairman of the Audit Committee shall after deliberation at the Audit Committee report the findings to the Board.

Safety and health at the workplace

We continue to improve our health and safety ("H&S") performance by committing to continuous improvement, as outline in the H&S Policy as the safety and health of our employees is of utmost importance to us. We are also committed to building a culture of safety and health within the organisation in which employees are trained to be aware of and adopt the safe practices and healthy lifestyle.

A Safety and Health Committee ("SHC") is established at each business unit in line with the requirements of the Occupational Safety and Health Act, 1994.

SUSTAINABILITY STATEMENT
(CONT'D)



SHC Responsibilities:

- Assist in the development of health and safety rules and a safe working system;
- Review the effectiveness of safety and health programmes;
- Analyse trends of accidents, near-miss incidents, dangerous occurrences, occupational poisoning and occupational disease occurring at the workplace;
- Report any unsafe or unhealthy work conditions or practices at the workplace to the management together with recommendations for corrective actions;
- Conduct workplace inspections at least once every three months;
- Conduct investigations on accidents occurring at the workplace; and
- Promote and conduct occupational safety and health ("OSH") activities such as health and safety campaigns, competitions, and promotions.

SHC Meeting

The meetings, which were done quarterly, were convened quarterly by the estates and mills SHC to discuss and rectify workplace safety and health issues. The respective chairman of the SHC are the managers of the estates/mills with its members comprising the key personnel (employer representatives) and the workers (employee representatives representing both locals and foreign workers). Meeting proceedings were properly recorded and reported.

Others

In addition, the following measures were carried out by the Group to address health and safety at the workplace:
- Providing appropriate Personal Protective Equipment for workers;
- Maintaining Safe Operations Procedures;
- Providing medical supplies for the medical clinics at the mills and employing Hospital Assistants. In addition to the regular duties, the Hospital Assistants carry out regular inspections of the employees' housing to ensure that sanitation, health and drainage standards are properly maintained according to the Group's policies; and
- 'Gotong-royong' and cleaning up activities were conducted to step up the hygiene condition and eradication of mosquitoes at housing areas of the Group's estates/mills.

The Group has not suffered any serious accidents or fatalities during the Financial Year 2022 due to work related injuries.

Chemical Health Risks Assessment ("CHRA")

In line with the Use and Standards of Exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000, the Group has appointed a certified assessor to conduct Chemical Health Risk Assessment ("CHRA"), for all chemicals utilised in the respective plantations and oil mills. This is reviewed every 5 years by the appointed assessor as stipulated in the Regulations and annual medical health surveillance is conducted on all employees engaged in handling pesticide and other chemicals. In this context, training programmes on the use of personal protective equipment for workers exposed to hazardous compounds are regularly conducted.

Based on CHRA recommendation, competent Hygiene Technician registered with DOSH are appointed to conduct Employee Personal Exposure Monitoring for staff handling hazardous chemical to monitor their degree of exposure once a year. The said staff will be required to go for medical surveillance once a year to ensure their good health and wellbeing in maintaining a safe workplace.

Hazards Identification Risks Assessment and Risks Control ("HIRARC")

HIRARC has been conducted on all estates and mills to identify all potential hazards related to work activities. Risk assessments shall be conducted to prioritize the risks and control measures to be implemented to mitigate the risks.

HIRARC shall be reviewed whenever there are any changes in process, work activities, new equipment, findings from any accidents or near miss incidents and finding from workplace inspection reported at the SHC meetings.

Noise Exposure Monitoring

The Group has appointed Noise Competent Person registered with DOSH to conduct Area Noise Mapping and Employee Noise Exposure Monitoring to ascertain whether any employee is exposed to noise level above Permissible Exposure Limit of 90dB(A) at all mills.

Hearing Protection Devices ("HPD") shall be provided by company and training conducted to staff to ensure proper usage of HPD and care of the HPD. Staff working in high noise area has been sent for audiometric testing program by registered Occupational Health Doctor on an annual basis. Briefing on the results of the audiometric test and also the provisions of the regulations and effects of noise on hearing has been conducted to relevant staffs.

Human capital development - equipping and learning culture

Training allows our employees to be equipped with the knowledge to apply our policies and standards consistently.

The Group inculcates a learning culture in the organisation so that employees at all levels are equipped with the necessary knowledge, skills and exposure, and that not only could they be fully effective in their current jobs but also prepared for their career progression and future assignments in support of the Group's objectives and business plan. With this in mind, we have established our own Plantation Training Centre in Keningau, Sabah to provide different levels and areas of training to our plantation staff and workers to boost their productivity and to improve their efficiency and work performance.

The Group also engaged experts to share knowledge on a variety of issues that could benefit the employees on a personal and professional level, as well as conducted inhouse training for staff on human capital, safety, accounting, technical issues and management skills. Where specialist training was required, the staff were sent for external training.

Putting the Health and Safety of Our People First During Pandemic

Our top priority to navigate through the pandemic was putting the health and safety of our people and the communities in which we operate first.

We adopt and implement a strict new normal practice to ensure our operational activities can be sustained in the most safety manner possible for our employees and workers. As one of our earliest prevention measures against COVID-19, we halt all activities at our schools, closed road access and all social places, including religious premises.

We strictly follow all directive and guidelines provided by the Authorities on COVID-19 protocols, especially in working areas.

SUSTAINABILITY STATEMENT
(CONT'D)

Ad hoc committees were established to fight and prevent COVID-19 throughout the Group, which covers:

General Guidelines:
- Implemented Work from Home ("WFH") schedule according to the applicable regulations.
- For rented premises, we coordinated with building management to prevent guest visits and unscheduled / unauthorized employees from entering the building during WFH and lockdown.
- Not allowing guests and couriers to enter the area of the work environment.
- Installed disinfectant spray at the office entrance.
- Usage of temperature measurement tools at the office for routine body temperature check of all workers.
- Distribute face masks to employees.
- Mandatory body temperature check for all employees and visitors before entering the Group's premises and working areas.
- Mandatory use of face masks for all employees.
- Continuous socialisation on COVID-19 through internal memos, informative posters, including virus transmission and preventions.
- Making hand sanitizers available in various areas throughout our working areas, namely all entrance to working spaces and meeting rooms.
- Routine sterilizations of public spaces and often touched surfaces, such as elevator buttons, door handles, toilet areas and photocopy machines.
- Purchase of air purification machines to improve ventilation and ensure ample circulation in working areas.
- Conduct fogging after working hours.
- Routine RTK test for employees. Should any employee's test result come up as reactive, then PCR Swab Test will be performed.
- Setting up of quarantine centres in the estate/mill for employees who are infected by COVID-19, and assistance to contact and registration to reference hospitals or quarantine facilities for employees with severe conditions.
- Provision of new computers and laptops for our employees in various departments to enable them working from home.

Community development

The Company strongly believes that in playing its role as a socially responsible corporate citizen, it creates business sustainability and enhances value for all its stakeholders. We strive to make a positive difference to the communities in which we live and operate.

The Group has over the years placed great emphasis on enhancing living conditions of the communities where we operate. This is evidenced by the Group's contributions in areas of education, infrastructure, cultural and social development initiatives. It is the Group's practice to create and offer priority in job opportunities to local villagers, either by way of direct employment, internship or through the award of contract works. This approach has proven effective in improving their living standards.

The Group is involved in the development of land belonging to an orphanage into an oil palm estate under a joint venture agreement, providing good long-term income and development fund to Al-Yatama Berhad, an organisation involved in charity work (running an orphanage).

The Group has undertaken the development of oil palm plantations on Native Customary Rights ("NCR") land in Sarawak. The aim of this project is to bring social and economic benefits to landowners who are from the indigenous community of Malaysia. The Group now manages 2,774 Ha as at 31 January 2022 under this NCR project of which 2,449 Ha have been planted. The Group's involvement in developing NCR land has enabled sustainable income to be provided for about 700 local land owners, a major effort contributing to poverty alleviation in the rural areas.

During the year, the Group has assisted trainees from various universities, institutes of higher learning and training centres to undergo their practical training. Suitable candidates have been identified for employment after they have completed their training.

Grievance Procedure

We have set up grievance procedure as a channel for all stakeholders to raise concerns any breaches of our sustainability policy commitments by our business or suppliers. Since then, we have continued our commitment to responding promptly and effectively to any grievance raised.

Available reporting channels include:

For Employees
Log Books: Log books are located in all our estates and mills. Employees may log in their concerns and issues regarding employee rights in the Log Book or through the Whistle-blowing channel to protect their anonymity.

For External Stakeholders (e.g., government, smallholders, suppliers, NGOs)
Grievance Submission Form:
External stakeholders can submit a form to report any corruption, harassment or criminal acts. All reports received will be investigated.

For further details on our reporting channels for reporting grievances, kindly visit our website.

Corporate Social Responsibilities Initiatives

The Group also made several contributions and donations amounting to approximately RM122,000 to governmental and non-governmental organisations to support their sports, cultural and welfare activities. Donations were also made to schools for their building funds, sports day and Parents and Teachers Associations in Johor, Sabah and Sarawak.

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 17 May 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Statement has been prepared in compliance with the MMLR and it is to be read together with the Corporate Governance Report 2022 of the Company ("CG Report") which is available on the Company's website: www.kimloong.com.my. The explanation for departure is further disclosed in the CG Report.

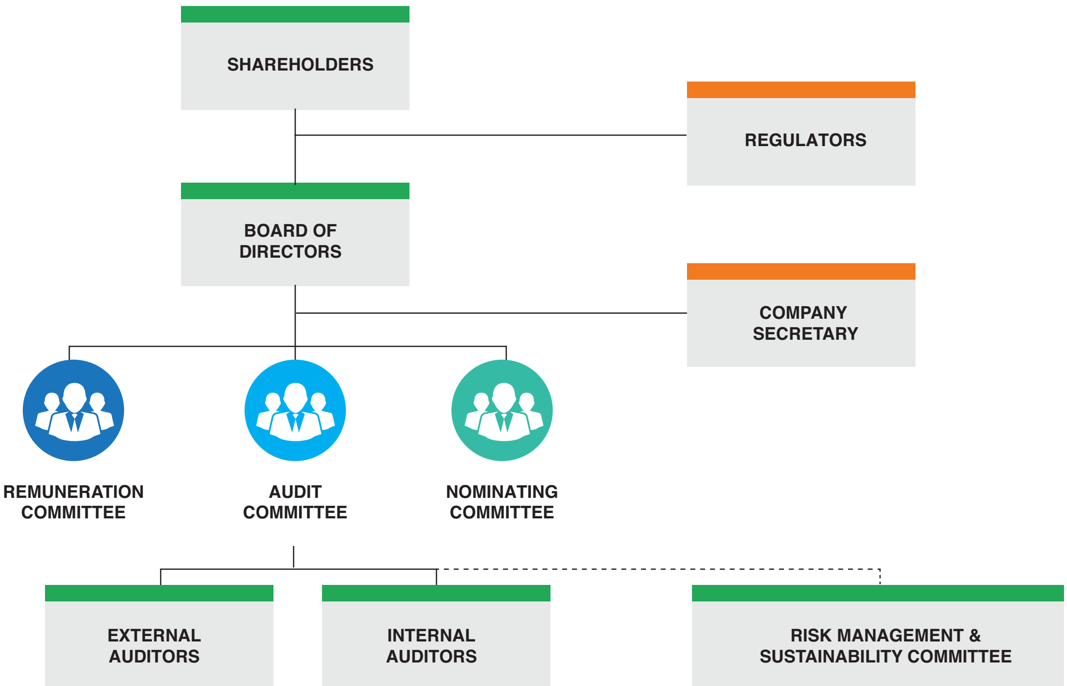
The Board of Directors of Kim Loong Resources Berhad acknowledges the importance of good corporate governance ("CG") in protecting and enhancing the interest of shareholders. As such the Board is committed towards adherence to the principles, intended outcomes and best practices set out in the Malaysian Code on Corporate Governance ("MCCG" or the "Code") issued by the Securities Commission Malaysia.

The Board recognises the importance of CG and conscientiously strives to attain high business ethics and governance in conducting the day-to-day business affairs of the Company and its Group of Companies ("Group"), so as to safeguard and enhance shareholders' value, which includes protecting the interests of all stakeholders.

The Board believes that good CG adds value to the business of the Group and will ensure that this practice continues. The Board of Directors believes in playing an active role in guiding the Management through its oversight review while at the same time steering the Group's business direction and strategy.

The Board is pleased to disclose the manner and the extent in which the principles and practices set out in the MCCG and governance standards in accordance with the MMLR that have been adopted by the Company and the Group for all its business dealings and affairs throughout the financial year ended 31 January 2022.

Our Corporate Governance Framework, which is set out below, is vital in contributing towards our growth and long-term sustainability.



The Board is pleased to provide an overview of the CG practices, which made reference to the three (3) key CG principles as set out in the MCCG throughout FY2022, which are as follows:

Principle A : Board Leadership and Effectiveness.
Principle B : Effective Audit and Risk Management.
Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1.1 Roles of the Board

The Board's pivotal role is to lead and establish the Group's vision, strategic direction, key policies and framework, including the management of the succession planning process of the Group and the appointment of key senior management. In view thereof, the Board's roles and responsibilities include but are not limited to the following:

- Reviewing and approving the strategic business plan developed by Management for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- Identifying and approving policies pertaining to the management of all principal risks of the Group's business activities and ensure the implementation of appropriate systems to manage these risks;
- Serving as the ultimate approving authority for all significant investment and acquisition & disposal of assets;
- Developing and implementing a shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Approving the remuneration package of both Executive and Non-Executive Directors; and
- Ensuring that the Group adheres to high standards of conduct, ethics and corporate professional behaviour.

The Board has delegated specific responsibilities to the following committees:

i. Audit Committee
ii. Nominating Committee
iii. Remuneration Committee

These Board Committees have been constituted with clear terms of reference and they are actively engaged to ensure that the Group is in adherence with good CG.

1.2 Board Corporate Governance Manual

All Board members are expected to show good stewardship and act in a professional manner, as well as uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. The Board has formalised and adopted a Board Corporate Governance Manual ("Board CG Manual") which provides guidance to the Board in fulfilment of its roles, functions duties and responsibilities. The Board will review the Board CG Manual as and when required to ensure relevance and compliance with the regulations. Extracts of the Board CG Manual are now available on the Company's website at www.kimloong.com.my.

The Board CG Manual is the primary document that elucidates on the governance of the Board, Board Committees and individual Directors.

The Board CG Manual sets out the role, functions, composition, operation and processes of the Board to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board CG Manual also acts as a source of reference and primary induction literature in providing insights to Board members and senior management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

1.2 Board Corporate Governance Manual (Cont'd)

The Board CG Manual covers amongst others, the following matters:

- Policies on Corporate Social Responsibilities, Gender Equality and Sustainable
- Board Charter
- Role, Responsibilities and Power of the Board, Individual Directors, Chairman and Managing Director
- Role of Board Committees
- Role of Company Secretary
- Board and General Meetings
- Corporate Disclosure Policy
- Whistle-blowing Policy
- Code of Ethics and Conduct
- Corporate Integrity Policy - Anti Fraud Policy
- Risk Management Policy
- Investor Relations Policy

This Board CG Manual will be regularly reviewed and updated in accordance with the needs of the Company and any new regulations. Any amendments to the Board CG Manual shall be approved by the Board. The Board CG Manual was adopted on 17 May 2018. Extracts of the Board CG Manual is available on the Company's website at www.kimloong.com.my.

1.3 Roles and Responsibilities of the Executive Chairman, Managing Director, Executive Directors, Senior Independent Non-Executive Director and Independent Non-Executive Directors.

EXECUTIVE CHAIRMAN	MANAGING DIRECTOR
• Ensures that the Board functions effectively, cohesively and independently of Management • Promotes the highest standards of corporate governance • Leads the Board, including presiding over Board meetings and Company meetings and direct Board discussions to effectively use the time available to address the critical issues facing the Company • Promotes constructive and respectful relationship among Board members and between Board members and Management • Ensures that there is effective communication between the Company and/or Group and its shareholders and relevant stakeholders	• Develops the strategic direction of the Group • Ensures that the Company and/or the Group's business is properly and efficiently managed by ensuring that the executive team implements the policies and strategies adopted by the Board and its Committees • Ensures that the objectives and standards of performance are understood by the Management and employees • Ensures that the operational planning and control systems are in place • Monitors performance results against plans • Takes remedial action, where necessary

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

1.3 Roles and Responsibilities of the Executive Chairman, Managing Director, Executive Directors, Senior Independent Non-Executive Director and Independent Non-Executive Directors. (Cont'd)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR	EXECUTIVE DIRECTORS
• Acts as a sounding board for the Chairman and Executive Directors • Acts as a conduit for the views of other Non-Executive Directors • Conducts the Chairman's annual performance appraisal • Helps to resolve shareholders' concerns	• Under the leadership of the Group Managing Director, make and implement decisions in all matters affecting the operations, performance and strategy of the Group's business • Provide specialist knowledge and experience to the Board • Chart the overall business direction of the Group • Design, develop and implements strategic plans • Deal with day-to-day operations of the Group

INDEPENDENT NON-EXECUTIVE DIRECTORS	COMPANY SECRETARIES
• Challenge constructively • Actively participate in Board decision making • Scrutinise management performance • Satisfy themselves on the integrity of financial information • Provide independent judgement, experience and objectivity	• Advise the Board • Ensure accurate and timely information and required support are provided to Directors • Organise Directors' induction and training • Communicate with shareholders as appropriate and ensure due regard is paid to their interests

Office of Executive Chairman

The Company's Chairman is an Executive Director and there are three (3) Independent Non-Executive Directors out of seven (7) board members (excluding the two (2) Alternate Directors).

Under the Code, it recommends that at least half of the Board of Directors comprises independent directors. As of now, the Board is of the opinion that it should not urgently increase independent directors to form at least half of the Board composition because the current number of independent directors is sufficient to ensure effective check and balance of power and authority on the Board.

Segregation of Role and Responsibilities of Executive Chairman and Managing Director

The roles and responsibilities of the Executive Chairman and the Managing Director are held by two different individuals to exercise and clearly separated to enable a balance of power and authority. This is in line with the recommendation of the Code, which requires the Board to establish clear functions reserved for the Board and those delegated to the management.

The Board is led by Mr Gooi Seong Lim, as the Executive Chairman, whilst the executive management is helmed by Mr Gooi Seong Heen, the Managing Director of the Group. Both have many years of experience in managing the Group's core businesses.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

1.3 Roles and Responsibilities of the Executive Chairman, Managing Director, Executive Directors, Senior Independent Non-Executive Director and Independent Non-Executive Directors. (Cont'd)

Segregation of Role and Responsibilities of Executive Chairman and Managing Director (Cont'd)

The Executive Chairman is responsible for ensuring Board effectiveness and conduct. He ensures the integrity and effectiveness of the governance process of the Board and acts as a facilitator at Board meetings. Every Board resolution is put to a vote, if necessary, which would reflect the collective decision of the Board and not individuals or an interest group. He also maintains regular dialogues/meetings with the Managing Director/Head of business units on all operational matters.

The Managing Director has the overall responsibility for the profitability and development of the Group. He is responsible for the stewardship of all the Group's assets, day-to-day running of the business and effective implementation of Board decisions, annual operating plan, budget, policies decisions as approved by the Board. The Managing Director's in-depth and intimate knowledge of the Group's affairs contribute significantly towards the ability of the Group to achieve its goals and objectives.

The segregation of duties between the Executive Chairman and the Managing Director facilitates an appropriate balance of role, responsibility and accountability and promotes appropriate supervision of the management.

1.4 Qualified and Competent Company Secretaries

The Board is supported by three (3) qualified Company Secretaries who are members of professional bodies such as the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) or the Malaysian Association of Company Secretaries (MACS) and are qualified to act as company secretary under Section 235(2)(a) of the Companies Act, 2016.

The Company Secretaries are external Company Secretary from Tacs Corporate Services Sdn. Bhd. with vast knowledge and experience from being in public practice and is supported by a dedicated team of company secretarial personnel.

The Company Secretaries are entrusted to record the Board's and their Committees deliberations, in terms of issues discussed, and the conclusions and the minutes of the previous Board meeting are distributed to the Directors prior to the Board meeting for their perusal before confirmation of the minutes at the commencement of the following Board meeting. The Directors may comment or request clarification before the minutes are tabled for confirmation and signed by the Chairman of the meeting as a correct record of the proceedings of the meeting.

All Directors have direct access to the advice and services of the Company Secretaries whether as a full Board or in their individual capacity, in discharging their duties.

The Company Secretaries, who are qualified, experienced and competent, is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, corporate governance best practices, procedures and regulation and the resultant implications to the Company and the Board in discharging their duties and responsibilities.

The appointment and removal of the Company Secretaries is a matter for the Board as a whole. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their functions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

1.5 Access to Information and Advice

The Executive Chairman and the Managing Director have the primary responsibility for organising information necessary for the Board to deal with the agenda and ensuring all Directors have full and timely access to the information relevant to matters that will be deliberated at Board meetings.

In exercising their duties, all Directors have the same right of access to all information within the Group and they have a duty to make further enquiries which they may require in discharging their duties. The Directors also have access to advice and services of the Company Secretaries, who are available to provide them with appropriate advice and services to ensure that Board meeting procedures are followed and all applicable rules and regulations are complied with. If necessary, the services of other senior management will be arranged to brief and help the Directors to clear any doubt or concern to further facilitate the decision-making process.

All Directors are provided with an agenda and a set of comprehensive Board papers, issued within sufficient time prior to Board meetings to ensure that the Directors can appreciate the issues to be deliberated on, and where necessary, to obtain further explanation. The Board papers include updates on financial, operational and corporate developments of the Group. Board papers are also presented with details on other issues that may require the Board's deliberation or decisions, policies, strategic issues which may affect the Group's businesses and factors imposing potential risks affecting the performance of the Group. Senior management staff and external advisors may be invited to attend Board meetings, to advise and provide the Board with detailed explanations and clarifications whenever necessary on matters that are tabled.

The Board papers prepared for the quarterly scheduled meetings include, among others, the following:

- Minutes of previous Board meeting
- Minutes of the Board Committee's meeting
- Reports on matters arising
- Quarterly financial report
- Reports on operations

Other matters highlighted for the Board's decision include the approval of corporate plans, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits.

1.6 Independent Professional Advice

The Directors, whether acting as a full Board member or in their individual capacity, in the furtherance of their duties, may obtain independent professional advice at the Company's expense, in the event that circumstances warrant the same. The Company has placed internal procedures for the application and appointment process for the services.

1.7 Conflict of Interest and Related Party Transactions

The Directors are responsible at all times to determine whether they have a potential or actual conflict of interest in relation to any matter, which comes before the Board. All Directors are required to make declarations on whether they have any interest in transactions tabled at Board meetings. The Directors acknowledge that they have to declare any interest they have in the Company and its subsidiaries and abstained from the deliberation and voting on the related resolutions at the Board or any general meetings convened to consider the matter. In the event that a corporate proposal is required to be approved by shareholders, interested directors will abstain from voting in respect of their shareholdings in Kim Loong Resources Berhad on the resolution related to the corporate proposal, and will further ensure that persons related to them also refrain from voting on the resolution.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION

2.1 Board Composition

The Board composition is in compliance with Paragraph 15.02(1) of the MMLR of Bursa Securities which stipulates that at least two Directors or 1/3 of the Board, whichever is higher, must be independent directors.

As of now, the Board does not believe that it should urgently increase independent directors to form at least half of the Board composition to comply with the recommendation by the MCCG because the current number of independent directors is sufficient to ensure effective check and balance in the Board. However, the Board will continuously review and evaluate such recommendation.

Details of the current individual director's qualifications and experiences are presented in the Board of Directors' Profile from pages 13 to 17 of this Annual Report.

2.2 Independent Non-Executive Directors

The presence of Independent Non-Executive Directors provides a pivotal role in corporate accountability. The role of the Independent Non-Executive Directors is particularly important as they provide independent and objective views, advice and judgement and ensure strategies proposed by the management are thoroughly discussed and evaluated, and that the long-term interests of stakeholders are considered. The Independent Non-Executive Directors do not participate in the operation of the Group in order to uphold their objectivity and fulfil their responsibility to provide check and balance to the Board.

i. Annual Assessment of Independent Directors

The Board recognises the importance of independence and objectivity in its decision-making process. The Independent Directors who are professionals of high calibre and integrity and possess in-depth knowledge of the Group's business, bring their independent and objective views and judgement to Board deliberations.

During the financial year, the Board through the Nominating Committee performed an evaluation of all Directors including the Independent Directors and was satisfied that the Independent Directors continued to exercise independent and objective judgement and acted in the interest of the Company and its stakeholders.

ii. Tenure of Independent Director

The Board noted the recommendation of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends of retaining an individual as independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

The Nominating Committee and the Board have deliberated on the recommendation and hold the view that the ability of an Independent Director to exercise independent judgement is not affected by the length of his service as an Independent Director. The suitability and ability of an Independent Director to carry out his roles and responsibilities effectively is very much a function of his calibre, experience and personal qualities. Restriction on tenure may cause loss of experience and expertise that are important contributors to the efficient working of the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

2.2 Independent Non-Executive Directors (Cont'd)

ii. Tenure of Independent Director (Cont'd)

Both the Nominating Committee and the Board have assessed the independence of Mr Gan Kim Guan, Mr Chan Weng Hoong and Mr Cheang Kwan Chow who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and recommended them be retained as the Independent Non-Executive Directors of the Company based on the following justifications:

a. They have fulfilled the criteria under the definition of an Independent Director as stated in the MMLR, and thus, they would be able to provide independent judgement, objectivity and check and balance to the Board;

b. They perform their duties and responsibilities diligently and in the best interests of the Company without being subject to influence of the management;

c. Their in-depth knowledge of the Group's businesses and their extensive knowledge, commitment and expertise continue to provide invaluable contributions to the Board;

d. They, having been with the Company for more than nine (9) years respectively, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations and attended the Board and Committee meetings for an informed and balanced decision making;

e. They are independent as they have shown great integrity and they has not entered into any related party transaction with the Group; and

f. They currently do not sit on the board of any other public and/or private companies having the same nature of business as that of the Group.

Both the Nominating Committee and the Board also recognise the benefits of the experience, valuable insights, expertise and stability brought by Mr Gan Kim Guan, Mr Chan Weng Hoong and Mr Cheang Kwan Chow, their continued service will serve the interest of the Company and its shareholders.

The Board is unanimous in its opinion that Mr Gan Kim Guan, Mr Chan Weng Hoong and Mr Cheang Kwan Chow who have served on the Board as an Independent Directors, exceeding a cumulative term of nine (9) years, continue to fulfil the criteria and definition of an Independent Director as set out under Paragraph 1.01 of the MMLR.

In this respect, the Board has approved the continuation of Mr Gan Kim Guan, Mr Chan Weng Hoong and Mr Cheang Kwan Chow as Independent Directors of the Company. The Board believes that it is in the best position to identify, evaluate and determine whether any Independent Director can continue acting in the best interests of the Company and bringing independent and professional judgement to board deliberations. Accordingly, the Board strongly recommends retaining Mr Gan Kim Guan, Mr Chan Weng Hoong and Mr Cheang Kwan Chow as Independent Non-Executive Directors and will be tabling Ordinary Resolutions 9, 10 and 11 to shareholders at the 47th AGM for the said purpose. Shareholders' approval for the Ordinary Resolutions will be sought on a single tier voting process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

2.2 Independent Non-Executive Directors (Cont'd)

iii. Shareholder Approval for Retention of Independent Director

The Board takes cognizance of the recommendation of the Code regarding tenure of Independent Directors but will seek approval of the shareholders through a single tier voting process for retention of Independent Director who has served for a cumulative term of more than nine (9) years. This is in line with the general rule on voting as provided in the Companies Act, 2016 which states that every shareholder has one vote for every share he holds, and resolutions are to be decided by a simple majority for ordinary resolutions and 75% of votes for special resolutions through a single tier voting process.

iv. Independent Directors and Balance of Power

The Code recommends that at least half of the Board comprises Independent Directors. The Board is of the opinion that current number of Independent Directors is sufficient to ensure balance of power and authority on the Board.

The Board is also satisfied with the Board's composition in respect of representation of minority shareholders by the Independent Non-Executive Directors.

2.3 Board Diversity

Whilst acknowledging the recommendation of the Code on gender diversity, the Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy as the Group is committed to providing fair and equal opportunities and nurturing diversity within the Group.

When appointing a Director, the Nominating Committee and the Board will always evaluate and match the criteria of the candidate to the Board based on individual merits, experience, skill, competency, knowledge and potential contribution, whilst the Code will also be given due consideration for boardroom diversity.

The Company does not set any specific target for boardroom diversity and female representation will be considered when suitable candidates are identified.

2.4 Foster Commitment of the Director

Board Meetings

The Board normally meets at least four (4) times a year with additional meetings convened when urgent and important decisions need to be taken between scheduled meetings. Due notice of issue to be discussed, deliberated and conclusions arrived are recorded in discharging its duties and responsibilities.

During the financial year, the Board met on five (5) occasions where it deliberated upon and considered a variety of matters including approving the Group's financial results, strategic and investment decisions as well as financial and operating performance of its subsidiary companies.

The agenda for each Board meeting and papers relating to the agenda are sent to all Directors at least seven (7) days before the meeting, in order to provide sufficient time for the Directors to review the Board papers and seek clarifications, if any.

All proceedings at the Board meetings are recorded by way of minutes and signed by the Chairman of the respective meeting.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

2.4 Foster Commitment of the Director (Cont'd)

Time Commitment and Protocol for Accepting New Directorships

The Directors are aware of the time commitment expected from them to attend to matters of the Group in general, including attendance at meetings of the Board and Board Committees and other types of meetings. Meetings for each financial year are scheduled in advance for Directors to plan their schedule ahead.

The Board is satisfied with the level of time commitment given by the Directors in the discharge of their roles and responsibilities as the Directors of the Company as evidenced by their attendance at the respective meetings set out below:

Name of Director	Status of Directorship	Number Meetings Attended	Percentage (%)
Gooi Seong Lim	Executive Chairman	4	80
Gooi Seong Heen	Managing Director	5	100
Gooi Seong Chneh	Executive Director	5	100
Gooi Seong Gum	Executive Director	5	100
Gan Kim Guan	Senior Independent Non-Executive Director	5	100
Chan Weng Hoong	Independent Non-Executive Director	5	100
Cheang Kwan Chow	Independent Non-Executive Director	5	100

Note
All Board meetings were held virtually via video conference during the financial year.

All Directors have complied with the minimum 50% attendance requirements in respect of board meetings as stipulated by the MMLR.

Under the existing practice, the Directors shall inform the Board before accepting new directorships in other companies and ensure that their number of directorships in public listed companies in compliance with the MMLR.

2.5 Overall Board Effectiveness

The Board reviews its performance and that of the Board Committees and individual Directors on an annual basis based on a set of predetermined criteria on a process that is facilitated by the Nominating Committee.

A comprehensive and independent assessment of the candidate will be conducted by the Nominating Committee without any influence from the major controlling shareholders, Group Managing Director or Executive Directors.

In the evaluation of Directors, the Nominating Committee takes into account the following criteria:

- skills, knowledge, expertise and experience;
- character, integrity and professionalism;
- perceived ability to work cohesively with other members of the Board;
- number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution;
- diversity in age, gender and experience/background; and
- such other relevant factors as may be determined by the Nominating Committee which would contribute to the Board's collective skills.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

2.5 Overall Board Effectiveness (Cont'd)

whilst taking into account the current and future needs of the Company, boardroom diversity and other soft attributes required as Directors.

There is no change to the composition of the Board during the financial year.

2.6 Directors Training

All Directors including the Alternate Directors have completed the "Mandatory Accreditation Programme for Directors of Public Listed Companies" pursuant to Paragraph 15.08 of the MMLR.

During the financial year under review, the Board has discussed training programmes proposed for the Directors' attendance. Directors are also encouraged to participate in seminars and/or conferences organised by relevant regulatory authorities, professional bodies and commercial entities providing training. This is part of their Continuous Education Programme to keep abreast with relevant new developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to fulfil their duties as Directors.

Directors also receive briefing from Internal and External Auditors on updates in financial reporting and new accounting standards affecting the Group, bankers on available financial instruments and suppliers/contractors on their products. The Executive Directors represent the Group at the Committee of East Malaysia Planters' Association and Malaysian Estate Owners' Association and they are kept informed on new developments affecting the plantation industry.

During the financial year under review, the Directors have attended the following training programmes/courses and/or conferences listed below:

	Gooi Seong Lim	Gooi Seong Heen	Gooi Seong Chneh	Gooi Seong Gum	Gan Kim Guan	Chan Weng Hoong	Cheang Kwan Chow	Gooi Chuen Kang	Gooi Khai Chien
18 March 2021 Red Flags - Palm Oil Milling Operations Organised by The Institute of Internal Auditors Malaysia		●							
23 March 2021 Virtual Palm and Lauric Oils Price Outlook Conference and Exhibition 2021 Organised by Bursa Malaysia Derivatives		●						●	

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

2.6 Directors Training (Cont'd)

During the financial year under review, the Directors have attended the following training programmes/courses and/or conferences listed below: (Cont'd)

	Gooi Seong Lim	Gooi Seong Heen	Gooi Seong Chneh	Gooi Seong Gum	Gan Kim Guan	Chan Weng Hoong	Cheang Kwan Chow	Gooi Chuen Kang	Gooi Khai Chien
15 July 2021 Recent Amendment to Companies Act - Beneficial Owners Organised by Crescendo International College Speaker: Mr Lee Ting Kiat	●	●	●	●	●	●	●	●	●
19 August 2021 The Malaysia Code on Corporate Governance (Updated 28 April 2021) - Updates to the MCCG and their implications to Listed Corporations, Directors & Management Organised by KIM LOONG RESOURCES BERHAD Speaker: Mr. Lee Min On	●	●	●	●	●	●	●	●	●
23 & 24 August 2021 Environmental Internal Audit Based on Guided Self-Regulation (Environmental Mainstreaming Tools Facilitated by Think Big Management Consultants Sdn Bhd								●	●
23-24 November 2021 Issues and Challenges of Biodiversity Conservation in the Oil Palm Industry in Malaysia Organised by: • Malaysia Palm Oil - Green Conservation Foundation • Kementerian Perusahaan Perladangan dan Komoditi • Persatuan Pencinta Alam Malaysia		●							

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

2.7 Board Committees

In order to assist in the execution of Board's responsibilities for the Group, certain functions have been delegated by the Board to Board Committees. Clearly defined terms of reference have been given to these Committees to enable them to operate effectively. However, these Committees do not have any executive powers. The Chairman of the respective Committees reports to the Board the outcome of the Committee meetings and such reports are incorporated in the Board papers (except the power of the Audit Committee to report to Bursa Securities in circumstances described in the Audit Committee Report).

The Board periodically reviews the Committees' Terms of Reference.

a. Audit Committee

The Audit Committee serves as a focal point of communication between Directors, External Auditors, Internal Auditors and the senior management on matters pertaining to financial accounting, reporting and controls. The Committee also assists the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing of the Group. It is also the Board's principal agent in ensuring the independence of the Company's External Auditors and the adequacy of disclosures to shareholders.

The Committee has full access to the auditors both internal and external, who in turn, have access at all times to the Chairman of the Audit Committee.

In line with good corporate governance practices, none of the Executive Directors are members of the Audit Committee. The Terms of Reference of the Audit Committee are available on the Company's website at www.kimloong.com.my and the Report of the Audit Committee is disclosed on pages 86 to 90 of this Annual Report. The works of the Audit Committee during the financial year ended 31 January 2022 are also set out in the Report of the Audit Committee.

b. Remuneration Committee

The Remuneration Committee is responsible for recommending the remuneration framework and the remuneration packages of the Executive Chairman, Managing Director, Executive Directors and senior management, so as to ensure that rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors and senior management with those of shareholders. The Committee also ensures that the level of remunerations for Executive Directors and senior management are linked to their level of responsibilities and contribution to the effective functioning of the Company and the Group. None of the Executive Directors participated in any way in determining their individual remuneration.

The Board as a whole determines the remuneration packages of Independent Non-Executive Directors with the Directors concerned abstaining from discussions in respect of their individual remuneration. In deciding on an appropriate level of fees for each Independent Non-Executive Director, the Board has considered the responsibility level and time commitment required in attending both the scheduled and special Board meetings, deliberation time required for Board papers, as well as the number of Board Committees involved.

The Terms of Reference of the Remuneration Committee is available on the Company's website at www.kimloong.com.my and the Report of the Remuneration Committee is on page 91 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

2.7 Board Committees (Cont'd)

c. Nominating Committee

The Nominating Committee is empowered by the Board through clearly defined terms of reference to ensure that there are appropriate procedures in place for the nomination, selection and evaluation of Directors. The Nominating Committee assesses the effectiveness of the Board as a whole and each of the Board Committees as well as the contribution of each individual Director, including the Independent Non-Executive Directors, Executive Chairman and Managing Director on an annual basis. All assessments and evaluations carried out by the Nominating Committee in discharging its duties are documented in the minutes of meetings.

The objective of the assessment of the effectiveness of the Board as a whole, the Board Committee and the contribution of each Director was to improve the Board and the Committee's effectiveness and to enhance the Director's awareness on the key areas that need to be addressed. The evaluation result was tabled for consideration of the Nominating Committee and its recommendations to the Board.

The Board, through the Nominating Committee's annual appraisal process, believes that it possesses the required mix of skills, experience and other qualities including core competencies brought by Independent Non-Executive Directors which enables it to discharge its duties in an effective manner in light of the challenging economic and operating environment in which the Group operates. Furthermore, the Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board.

The Board appoints its members through a selection process. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability to discharge responsibilities as expected from them. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly made and that legal and regulatory obligations are met.

The Terms of Reference of the Nominating Committee is available on the Company's website at www.kimloong.com.my and the Report of the Nominating Committee is on page 92 of this Annual Report.

III. REMUNERATION

3.1 The remuneration policy of the Company is based on the philosophy to enable the Company to attract and retain Directors and senior management of calibre and relevant experience and expertise to manage the Group successfully. For an Executive Director and senior management, the remuneration will depend on the achievement of goals including targets and personal achievement and is linked to Group and individual performance. In the case of a Non-Executive Director, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned. All Independent Non-Executive Directors are paid Director's fees for serving as Directors on the Board and its Committees. The Company also reimburses reasonable expenses incurred by these Directors in the course of their duties.

a. The level and make up of Remuneration

The remuneration package of the Executive Directors and senior management is reviewed by the Remuneration Committee for consideration of the Board.

The remuneration of all Non-Executive Directors is reviewed by the Board, based on their experience and expertise and the level of responsibilities of the Directors concerned as well as the condition of the industry.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. REMUNERATION (Cont'd)

3.1 (Cont'd)

b. Procedure

The Remuneration Committee recommends to the Board the remuneration package of the Executive Directors and senior management. The Executive Directors do not participate in decisions regarding their own remuneration packages. The Board as a whole determines the remunerations of Non-Executive Directors with individual Directors abstaining from making decisions in respect of their individual remunerations. The Directors' fees and meeting allowance are approved at the AGM by shareholders.

c. Disclosure

A summary of the remuneration of the Directors of the Group and of the Company for the year ended 31 January 2022, distinguishing between Executive and Non-Executive Directors, with categorisation into appropriate components is set out as below:

Group

	Directors' Fees (RM)	Basic Salary (RM)	Bonus (RM)	Benefit -in -kind (RM)	Other Emoluments (RM)	Total (RM)
Gooi Seong Lim (Executive Chairman)	88,500	840,000	920,000	3,875	345,957	2,198,332
Gooi Seong Heen (Managing Director)	88,500	936,000	1,044,000	30,468	388,256	2,487,224
Gooi Seong Chneh (Executive Director)	88,500	840,000	920,000	3,875	346,457	2,198,832
Gooi Seong Gum (Executive Director)	82,500	840,000	920,000	21,275	346,457	2,210,232
Gan Kim Guan (Senior Independent Non-Executive Director	100,000	-	-	-	2,500	102,500
Chan Weng Hoong (Independent Non-Executive Director)	94,000	-	-	-	2,500	96,500
Cheang Kwan Chow (Independent Non-Executive Director)	94,000	-	-	-	2,500	96,500
Total	636,000	3,456,000	3,804,000	59,493	1,434,627	9,390,120

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. REMUNERATION (Cont'd)

3.1 (Cont'd)

c. Disclosure (Cont'd)

Company

	Directors' Fees (RM)	Basic Salary (RM)	Bonus (RM)	Benefit -in -kind (RM)	Other Emoluments (RM)	Total (RM)
Gooi Seong Lim (Executive Chairman)	-	480,000	620,000	3,875	212,093	1,315,968
Gooi Seong Heen (Managing Director)	-	576,000	744,000	28,734	253,892	1,602,626
Gooi Seong Chneh (Executive Director)	-	480,000	620,000	3,875	212,093	1,315,968
Gooi Seong Gum (Executive Director)	-	480,000	620,000	21,275	212,093	1,333,368
Gan Kim Guan (Senior Independent Non-Executive Director)	100,000	-	-	-	2,500	102,500
Chan Weng Hoong (Independent Non-Executive Director)	94,000	-	-	-	2,500	96,500
Cheang Kwan Chow (Independent Non-Executive Director)	94,000	-	-	-	2,500	96,500
Total	288,000	2,016,000	2,604,000	57,759	897,671	5,863,430

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. REMUNERATION (Cont'd)

3.2 Remuneration Disclosure for Top Five (5) Key Senior Management

The Company has an existing policy whereby the remuneration of employees is classified as confidential.

The Board is of the view that disclosure on a named basis of the top five (5) Senior Management's remuneration components in bands of RM50,000 as being disadvantageous to the Group given the competitiveness in the plantation (palm oil) industry for talent due to confidentiality of remuneration packages. It could also possibly give rise to unnecessary staff rivalry and disillusionment. Additionally, as the components of the remuneration of Senior Management are subject to the Personal Data Protection Act 2010, the Board has opted not to disclose personal data of its Senior Management to the public at large.

The performance of senior management is evaluated on an annual basis and measured against pre-determined targets including responsibilities. The Board will ensure that the remuneration for senior management is appropriately commensurate with their performance, in order to attract, retain and motivate them to contribute positively towards the Group's performance. The Board will continuously undertake a robust internal process to ensure that the remuneration of Senior Management is competitive and fair.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

4.1 Compliance of Financial Statements with Applicable Financial Reporting Standards

The Audit Committee is tasked with assisting the Board in maintaining a sound system of internal control across the Group. Accurate and reliable financial statements are a key outcome of a sound system of internal control and towards this end, the Audit Committee considers the following on a regular basis:

- Changes in accounting policies, practices and implementation thereof
- Significant adjustment arising from external audit process
- Qualification of the External Auditors' report (if any)
- Going concern assumption
- Adequacy and appropriateness of disclosures

The Audit Committee also meets with the External Auditors without the presence of Management, and this is a forum at which the External Auditors may raise, among other matters, any concern they may have on the compliance aspect of the financial statements.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. All accounting standards which the Board considers to be applicable have been adopted, subject to any explanation for material departures disclosed in the notes to the financial statements.

The Finance Director updates the Audit Committee on a quarterly basis on the Group's financial performance and highlights key issues in connection with the preparation of the results, including the adoption of new accounting standards/policies. The Finance Director is responsible for ensuring that the Group is aware of impending changes to the accounting standards and also the relevant regulatory requirements, recognises the implication of those changes and complies with the requirements.

The Company's financial statements are prepared in accordance with the requirements of the Companies Act, 2016 and Malaysian Financial Reporting Standards in Malaysia. The Board is responsible to ensure that the financial statements give a true and fair view and balanced and understandable assessment of the state of affairs of the Company and of the Group. The Audit Committee assists the Board to ensure accuracy and adequacy of all information for disclosure and compliance with accounting standards.

The Board presents a balanced and meaningful assessment of the Group's financial performance and prospects to the shareholders, investors and regulatory authorities, primarily through the quarterly financial results and annual financial statements, Chairman's Statement and Management Discussion & Analysis in the Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

4.2 External Auditors

The Board through the establishment of the Audit Committee, has established a good working relationship with its External Auditors i.e., Messrs Ernst & Young PLT. The Group also maintains a transparent and professional relationship with its External Auditors in seeking professional advice and ensuring compliance with the applicable Malaysian Financial Reporting Standards in Malaysia. Messrs Ernst & Young PLT report to the shareholders of the Company on their opinion which is included as part of the Group's Annual Report with respect to their audit on each year's statutory financial statements. The Company's External Auditors are appointed every year during the AGM.

The External Auditors are invited to attend the Audit Committee meetings and AGM and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of their audit report.

The Board has adopted a procedure in relation to the provision of non-audit services by the Company's External Auditors to ensure that it is not in conflict with the role of the External Auditors or their independence. The External Auditors are required to declare their independence annually.

The Audit Committee is responsible to review all the non-audit services provided by the External Auditors and the aggregate amount of fees paid to them. Details of the amounts paid to the External Auditors for non-audit services performed during the year are set out in the Additional Compliance Information of this Annual Report.

The Audit Committee is also aware of the recommendation of the Code to have policies and procedures in place to assess the suitability and independence of External Auditors. Considering the expertise and existing business knowledge of the current External Auditors and the location of the Company and its subsidiaries, the Audit Committee is of the opinion that the current External Auditors are still suitable for re-appointment. While assessing the independence of the External Auditors, the Audit Committee is satisfied and agreed with the representation by the External Auditors in their Audit Planning Memorandum for the audit of the financial year ended 31 January 2022, that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practise) of the Malaysian Institute of Accountants. Furthermore, during the financial year ended 31 January 2022, the External Auditors were not engaged for any significant services other than the statutory audit.

The Board is satisfied based on advice from the Audit Committee that the provision of the non-audit services does not in any way compromise on their independence. In addition, the Audit Committee has obtained a written assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

4.3 Internal Audit Function

The Group's internal audit function adopts a co-sourcing model whereby risk management and specialised audits are performed by the in-house Assurance & Governance Department (Internal Auditors) of Company which acts independently from the activities and operations of the Group. The Assurance and Governance team reports to the Head of Assurance and Governance Department and the Audit Committee. Meanwhile, KPMG Management & Risk Consulting Sdn. Bhd., a professional service firm has been appointed to perform risk-based internal audit where results are directly reported to the Audit Committee.

The main purposes of the Internal Auditors are:

- Review effectiveness of the Group's systems of internal controls;
- Assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control system for the Board as well as to assist in drafting the Statement of Risk Management and Internal Control in the Annual Report;
- Support the Audit Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and co-develop a prioritized action plan to further enhance the internal control system;
- Identify the key business processes within the Group and the Company that Internal Audit should focus on;
- Allocate necessary resources to selected areas of audit in order to provide management and the Audit Committee an effective and efficient level of internal audit coverage; and
- Coordinate risk identification and risk management processes and activities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

4.3 Internal Audit Function (Cont'd)

The Internal Auditors adopts a risk-based auditing approach by focusing on identified high risk areas for compliance with control policies and procedures, identifying business risks which have not been appropriately addressed and evaluating the adequacy and integrity of controls and statutory requirements based on an internal audit plan agreed annually with the Audit Committee and report on the systems of financial and operations control to the Audit Committee. Submission of the audit results to the Management and the Audit Committee would ensure that the Management is compliant with the internal control systems and implementing continuous improvement.

4.4 Related Party Transactions

Directors recognise that they have to declare their respective interests in transactions with the Company and with the Group and abstain from deliberation and voting on the relevant resolution in respect of such transactions at the Board or at any general meetings convened to consider the matter. The Company has an internal framework to ensure it complies with the related party transactions as prescribed in the MMLR. The related party transactions are recorded and presented to the Audit Committee on a half-yearly basis for review and discussion should any concern arise. All related party transactions are reviewed as part of the annual internal audit plan, and the Audit Committee reviews any related party transactions and conflict of interest situation that may arise within the Group including any transactions, procedure or course of conduct that causes questions of management integrity to arise.

4.5 Risk Management Framework

The Board recognises that risk management is an integral part of the Group's business operations and is important for the achievement of its business objectives. The Group has established a Risk Management and Sustainability Committee ("RMSC") that is chaired by the Managing Director and its members comprise the Executive Directors, Heads of Divisions & Departments ("HODS") and staff from key operations. They have also been trained to identify the risks relating to their areas; the likelihood of these risks occurring; the consequences if they do occur; and the actions being and/or to be taken to manage these risks to the desired level. The risk profiles and risk treatment measures determined from this process are documented in risk registers with each business or operations area having its respective risk register.

The risk registers are eventually compiled to form the Group Risk Profile for reporting to the RMSC and the Audit Committee.

Ongoing risk management education and training is provided at Management and staff level by members of the RMSC.

4.6 Internal Control

The Board acknowledges that it is responsible for the Group's system of internal controls which is to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. It involves key management of each business unit to meet the Group's particular needs, manage risks to which it is exposed, the effective and efficient conduct of operations, financial controls and compliance with laws and regulations as well as with internal procedures and guidelines to provide reasonable but not absolute assurance against misstatement or loss.

The review on the systems of internal control is set out under the Statement on Risk Management & Internal Control as set out in pages 77 to 85 of this Annual Report.

The Statement on Risk Management & Internal Control provides an overview of the risk management framework and state of internal control within the Group.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

5.1 Strengthening Integrity and Ethics

The Board acknowledges its role in establishing a corporate culture with uncompromising ethical conduct. In line with this principle, the Group has in place the following policies to ensure the conduct of business of the Group and the employees are consistently carried out ethically and with integrity.

a) Code of Ethics and Conduct

The Code of Ethics and Conduct ("COEC") of the Group contains detailed policy statements on the standards of behaviour and ethical conduct expected of all Directors and employees and business partners of the Group. The COEC not only promotes legal and procedural compliance but also provides a moral compass to ensure that the individual's behaviour is in line with the Group's Core Values and business objectives.

All employees are expected to understand the principles and standards stipulated and must comply with them not only in their form but also in the substance of the ethical principles and conduct stated in the COEC.

Further details on the COEC are available on the Company's website at www.kimloong.com.my.

b) Whistleblowing Policy

The Group's Whistleblowing Policy ("WP") provides a transparent mechanism and avenue for all stakeholders to report or raise genuine concerns on any misconduct without fear of retaliation and intimidation. Confidentiality and anonymity are assured to stakeholders who disclose their concerns in good faith and in doing so, had followed the appropriate disclosure procedures, accordingly. The WP sets a clear procedural guide for stakeholders to follow in raising their concerns to ensure that issues are addressed by the appropriate personnel and definitive action can be taken.

c) Gift, Entertainment and Travel Policy

The Gift, Entertainment and Travel Policy is intended to enable the Directors, Management and employees to conduct the Group's business with integrity and maintain strong professional relationships with all of their counterparts and business partners based on merit and performance.

d) Anti-Bribery and Anti-Corruption Policy

With the adoption of the Anti-Bribery and Anti-Corruption (ABC) policy, the Group practises zero tolerance policy against all forms of bribery and corruption. The ABC policy elaborates upon those principles and provides guidance to employees on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of conducting business. The ABC policy is also applicable to all employees, directors, contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of Group.

Continuous engagement activities are conducted to spread awareness of the policies and to address any concerns.

For more information on the ABC policy, please refer to the Company's website at www.kimloong.com.my

e) Corporate Liability

The Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009") has been amended to include a corporate liability provision that imposes liability on a commercial organisation for corruption committed by persons associated with the organisation to obtain a business advantage. Taking cognisance of the provision under Section 17A of the MACC Act 2009 which came into effect on 1 June 2020, the Company has taken proactive actions to ensure that it has adequate procedures in place designed to prevent associated persons from undertaking conduct that would be in breach of the said section.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

5.2 Effective Communication with Stakeholders

a) Corporate Disclosure Policy

The Company's Corporate Disclosure Policy provides a framework for the Board, management and relevant staff to communicate effectively with shareholders, investors, other stakeholders and the public generally. The policy encompasses the following objectives:

- to raise awareness and provide guidance to the Board and employees of the Group on the Company's disclosure obligations and practices;
- to provide policies and guidelines in disseminating information to, and in dealing with shareholders, financial analysts, media, regulators, the investing community and other stakeholders;
- to ensure compliance with applicable legal and regulatory requirements on disclosure of material information; and
- to build good relations with the investing community to foster trust and confidence.

The Corporate Disclosure policy regulates the review and release of information to the stock exchange as well as through the Company's website, facilitating timely and accurate disclosure of the Company's affairs.

b) Leveraging on Information Technology for Effective Dissemination of Information

The Board recognises the importance of information technology for effective dissemination of information.

The Company's website has become a key communication channel for the Company to reach its shareholders and general public. The website has a number of sections which provide up-to-date information on Group activities, Board Charter, financial results, announcements released to Bursa Securities, annual reports and company profile, corporate presentations and other information on the Company and can be found on the Company's website at www.kimloong.com.my to further enhance investors and shareholders communication.

c) Insider Trading

Directors and senior management are prohibited from dealing in securities if they have knowledge of any price-sensitive information which has not been publicly disclosed in accordance with the MMLR and the relevant regulatory provisions.

d) Dialogue between the Group and Investors

The Board adheres to the disclosure requirements of Bursa Securities and ensures timely release of the financial results on a quarterly basis in order to provide its shareholders with an overview of the Group's financial and operational performance. In addition, it communicates with its shareholders, institutional and potential investors through various announcements made during the year.

This Annual Report is also an important channel of communication to reach shareholders and investors as it provides comprehensive information pertaining to the Group.

A press conference is normally held after the AGM and/or Extraordinary General Meeting ('EGM') of the Company to provide the media the opportunity of receiving an update from the Board and to address any queries or areas of interest by the media.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

5.2 Effective Communication with Stakeholders (Cont'd)

d) Dialogue between the Group and Investors (Cont'd)

In addition, the Group recognises the need for independent third-party assessment of itself. In this regard, the Executive Chairman, Managing Director and key senior management of the Group also conduct dialogue sessions or briefings with Investment/Financial Analysts and the Press on the results, performance and the potential of new developments of the Group. These briefings enable a direct and frank dialogue on the affairs of the Group.

Other avenues whereby shareholders and interested stakeholders have access to company data are through quarterly filing of financial data at Bursa Securities and via the Company's website at www.kimloong.com.my which they can access for information about the Group.

e) AGM

The AGM is the principal forum of dialogue with shareholders. In accordance with the Company's Articles of Association (Constitution) and Notice of AGM together is sent to shareholders at least twenty-one (21) days prior to the meeting.

Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution. At the AGM, the Board presents the progress and performance of the Group as contained in the Annual Report and shareholders are encouraged to participate and are given every opportunity to raise questions or seek more information during the meeting. The Executive Chairman, Managing Director and Board members are available to respond to all shareholders' queries.

All Directors attended the Fully Virtual AGM held during the financial year.

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Shareholders can also leave written questions for the Board to respond. The Share Registrar is available to attend to matters relating to shareholders' interests.

Shareholders are welcome to raise queries by contacting the Company at any time throughout the year and need not wait for the AGM for such an opportunity.

5.3 Poll Voting

The Company has always made the necessary preparation for poll voting for all resolutions tabled at the AGM. The Company will explore the suitability and feasibility of employing electronic means for poll voting.

In line with Paragraph 8.29A of the MMLR, the Company has ensured that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company is appointing at least one (1) independent scrutineer to validate the votes cast at the general meeting.

The Company conducted poll voting in respect of all resolutions put before the shareholders at the last AGM as required by the MMLR. The poll results of each resolution were announced to Bursa Securities after the AGM via Bursa Link on the same day.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

5.4 Annual Report

The Directors believe that an important channel to reach shareholders and investors is through the Annual Report. Besides including comprehensive financial performance and information on the business activities, the Group strives to improve the contents of the Annual Report in line with the developments in corporate governance practices.

The Company's Annual Report can be accessed at the Company's website at www.kimloong.com.my. Bursa Securities also provides facilities for the Company to electronically publish all its announcements, including full version of its quarterly results announcements and Annual Report at its website at www.bursamalaysia.com.

COMPLIANCE STATEMENT

The Company has committed to achieving high standard of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 17 May 2022.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Board is required under paragraph 15.26(a) of the Bursa Securities Main Market Listing Requirements to issue a statement explaining its responsibility for preparing the annual audited financial statements. The Directors are required by the Companies Act, 2016 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the financial year end and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent; and
- prepared the annual financial statements in accordance with Malaysian Financial Reporting Standards, the requirements of the Act and the MMLR.

The Directors are responsible for ensuring that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy at any time the financial position of each company and which enable them to ensure that the financial statements comply with the requirements of the Act.

The Directors consider that, in preparing the financial statements of KIM LOONG RESOURCES BERHAD for the financial year ended 31 January 2022, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates.

The Directors also consider that all applicable Malaysian Financial Reporting Standards have been complied with and confirm that the financial statements have been prepared on a going concern basis. The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

BOARD APPROVAL FOR FINANCIAL STATEMENTS

The annual financial statements for the financial year ended 31 January 2022 are set out on pages 93 to 187. The preparation thereof was supervised by the Finance Director and approved by the Board of Directors on 17 May 2022.

This Statement has been reviewed and approved by the Board of Directors on 17 May 2022.

ADDITIONAL COMPLIANCE INFORMATION

To comply with the Bursa Securities Main Market Listing Requirements ("MMLR"), the following information is provided:

Utilisation of Proceeds from Corporate Proposals

During the financial year, there were no proceeds raised by the Company from any corporate proposal.

Audit and Non-audit fees

The audit fees paid or payable to the External Auditors, Messrs Ernst & Young PLT by the Company and the Group during the financial year 2022 were as follows:

Audit Fees	
Group (RM)	**Company (RM)**
385,000	65,000

The non-audit fees paid or payable to the External Auditors, Messrs Ernst & Young PLT, by the Company and the Group during the financial year 2022 were as follows:

Non-audit Fees	
Group (RM)	**Company (RM)**
6,000	6,000

Material Contracts Involving Directors and Major Shareholders' Interest

There were no material contracts for the Company and/or its subsidiaries involving Directors and major shareholders' interest either subsisting at the end of the financial year or entered into since the end of the previous financial year.

Recurrent Related Party Transactions

The details of the recurrent related party transactions of a revenue in nature entered by the Company and/or its subsidiaries with the Related Party, namely Kim Loong Plantations Sdn. Bhd. ("KLP"), during the financial year ended 31 January 2022 pursuant to the shareholders mandate were as follows:

Nature of Transactions	Related Party	Relationship between Related Party and the Company	Value of Transactions during the financial year (RM'000)
Purchase of oil palm fresh fruit bunches by the Company and/or its subsidiaries from KLP	KLP	KLP is a wholly-owned subsidiary of Sharikat Kim Loong Sendirian Berhad ("SKL"), the holding company of the Company. Gooi Seong Lim, the Executive Chairman and a major shareholder of the Company, is a director of KLP and SKL and a substantial shareholder of SKL. Gooi Seong Heen, the Managing Director and a major shareholder of the Company, is a director of KLP and SKL and a substantial shareholder of SKL. Gooi Seong Chneh and Gooi Seong Gum, both are Executive Directors and major shareholders of the Company, are directors of KLP and SKL and substantial shareholders of SKL. Gooi Khai Chien is an Alternate Director to Gooi Seong Lim of the Company. Gooi Chuen Kang is an Alternate Director to Gooi Seong Heen of the Company.	17,620

The Company is seeking a shareholders' mandate for recurrent related party transactions of a revenue in nature or trading nature pursuant to Paragraph 10.09 of the MMLR at the forthcoming AGM.

This Statement is made in accordance with a resolution of the Board of Directors dated 17 May 2022.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

This Statement on Risk Management & Internal Control is made pursuant to the Code and Paragraph 15.26 (b) of the Bursa Securities Main Market Listing Requirements ("MMLR") with regards to the Group's state of internal control.

The Board of Directors ("the Board") of KIM LOONG RESOURCES BERHAD ("KLR" or "the Company") is pleased to present below its Statement on Risk Management & Internal Control as a group for the financial year under review, prepared in accordance with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers' ("the Guidelines") issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Securities and taking into consideration the recommendations underlying Principle 6 of the Code.

BOARD RESPONSIBILITIES

The Board affirms its overall responsibilities for the Group's system of risk management and internal control, and for reviewing the adequacy and integrity of the Group's risk management and internal control system. The Board's responsibility in relation to the system of risk management & internal control is embedded in all aspects of the Group's activities and encompasses all subsidiaries of the Company.

The Board has received assurance from the Managing Director and Finance Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

However, as there is inherent limitation in any system of risk management and internal control, such system put into effect by Management can only manage but not to eliminate all risks that may impede the achievement of the Group's business objectives.

Therefore, the risk management and internal control system can only provide reasonable assurance and not absolute assurance against material misstatement or loss. The process to identify, evaluate and manage the significant risks is a concerted and continuing effort throughout the financial year under review.

The Board sets the policy on internal controls after conducting a proper assessment of operational and financial risks by considering the overall control environment of the organisation and an effective monitoring mechanism. The Managing Director and his management carried out the process of implementation and maintenance of the control systems. Except for insurable risks where insurance covers are purchased, other risks are reported on a general reporting basis and managed by the respective Committees within the Group.

KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The responsibility for reviewing the adequacy and integrity of the risk management and internal control system has been delegated by the Board to the Audit Committee. On a periodic basis, the Audit Committee assesses the adequacy and integrity of the risk management and internal control system through independent reviews conducted and reports it received from the Internal Auditors, the External Auditors and Management. Significant risk management and internal control matters were brought to the attention of the Audit Committee.

The Audit Committee then in turn reports such matters to the Board, if the Audit Committee deems such matters warrant the Board's attention.

Key elements of the Group's risk management and internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below:

i. Control Environment

- Policies and Procedures

  Clearly defined policies and procedures are in place and are undergoing constant improvements to ensure that they continue to support the Group's business activities as the Group continues to grow.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(CONT'D)

KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

i. Control Environment (Cont'd)

- Operations Review and Monitoring

  Operations of the Group are constantly monitored with up-to-date reports being presented by the Management, which reviews the performance of the Group against budget and prior year performance on a quarterly basis. Variances are carefully analysed, and corrective actions are taken where necessary. Detailed reports on performance review with steps to be taken are presented to Executive Directors periodically.

  General Managers visit the Group's estates. During the visits, Estate Managers report on the progress and performance, discuss and resolve the estates' operational and key management issues.

  Executive Directors also monitor the performance of the business units through reports produced by external Planting Advisors. The roles of the Planting Advisors and Agronomist are to ensure that the technical aspects of all estates under the Group are based on current best practices in plantation management.

  The milling operations are regularly visited by the General Manager. During the visits, they discuss and resolve all operational and key management issues faced by the mill managers.

- Organisational Structure and Authorisation Procedures

  The Group maintains a formal organisational structure with clear lines of reporting to the Board, Committees and Senior Management with defined roles and responsibilities, authority limits, review and approval procedures and proper segregation of duties which supports the maintenance of a strong control environment.

  Specific responsibilities have been delegated to relevant Committees, all of which have formalised terms of reference.

  These Committees have the authority to examine all matters within their scope and report to the Executive Chairman, Managing Director and Executive Directors with their recommendations.

- Human Capital Policy

  Guidelines on employment, performance appraisal, training and retention of employees are in place, to ensure that the Group has a team of employees who are well-trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively.

  Emphasis is being placed on enhancing the quality and ability of employees through training and development.

  Employees' competencies are assessed annually through the annual appraisal system and subsequently, further development and training requirements are highlighted for Heads of Departments and business units for follow up.

- Management Style

  The Board relies on the experience of the Executive Chairman, Managing Director, Executive Directors and the respective business units' management teams to run and manage the operations and businesses of the Group in an effective and efficient manner.

  The Executive Chairman, Managing Director and management adopt a "hands on" approach in managing the businesses of the Group. This enables timely identification and resolution of any significant issues arising.

KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

i. Control Environment (Cont'd)

- Quality Control

  Strong emphasis is placed on ensuring that the Group adheres to health, safety and environmental regulations as required by the various authorities.

- Other Key Elements of Internal Control

  Other key elements of procedures established by the Board which provide effective internal control include:

  - Centralised functions of finance, treasury administration, human resource, agronomic, marketing and bulk purchases to ensure that uniform policies and procedures are implemented throughout the Group.
  - Regular site visits to the operations within the Group by the Senior Management.
  - The Finance Department monitors the activities and performance of the subsidiaries through the monthly management accounts and ensures control accounts are reconciled with the subsidiaries' records.
  - Adequate insurance and physical safeguarding of major assets are in place to ensure these assets are sufficiently covered against any mishap that may result in material losses to the Group.
  - The documented policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses and to ensure complete and accurate financial information. The documents consist of memoranda, circulars, manuals and handbooks that are regularly revised and updated to meet operational needs.
  - Proposals for major capital expenditure of the Group are reviewed and approved by the Executive Directors.
  - Regular Board and management meetings to assess performance of business units.
  - All recurrent related party transactions are dealt with in accordance with the MMLR of Bursa Securities. The Audit Committee and the Board review the recurrent related party transactions at the respective meetings of the Audit Committee and the Board.
  - Reporting mechanism whereby Executive Directors receive monthly performance and plantation statistic with explanation and justification.

- Code of Business Conduct and other related Policies

  In addition, the following Internal Control component have been embedded and defined in the CG Manual to assist the Board in maintaining sound internal control system:

  - Code of Ethics and Conduct defines acceptable behaviour for staff in dealing with key stakeholders. The Code is made available to all staff through their respective Head of Department.
  - Corporate Integrity Policy - Anti Fraud Policy has been developed to define consistent and clear process focussed on the prevention, detection and management of fraud and applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, external parties doing business with employees with the Group.
  - Whistle Blowing Policy has been formulated to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals, of concerns about possible improprieties. Allegations of improprieties which have been reported via the whistle blowing channel are appropriately followed up upon and the outcome(s) reported at the Audit Committee meetings.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(CONT'D)

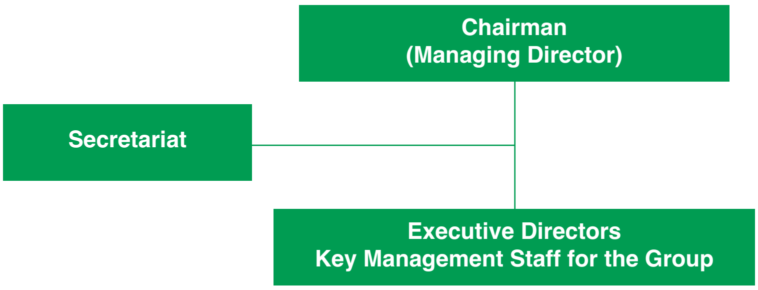
KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

ii. Risk Management Framework

The Board recognises that risk management is an integral part of the Group's business operations and is important for the achievement of its business objectives. The Group has established a Risk Management and Sustainability Committee ("RMSC") that is chaired by the Managing Director and its members comprising the Executive Directors, Heads of Divisions & Departments ("HODS") and staff from key operations. They have also been trained to identify the risks relating to their areas, the likelihood of these risks occurring, the consequences if they do occur, and the actions being and/or to be taken to manage these risks to the desired level. The risk profiles and risk treatment measures determined from this process are documented in risk registers with each business or operations area having its respective risk register. The risk registers are eventually compiled to form the Group Risk Profile for reporting to the RMSC and the Audit Committee.

Ongoing risk management education and training is provided at management and staff level by members of RMSC.

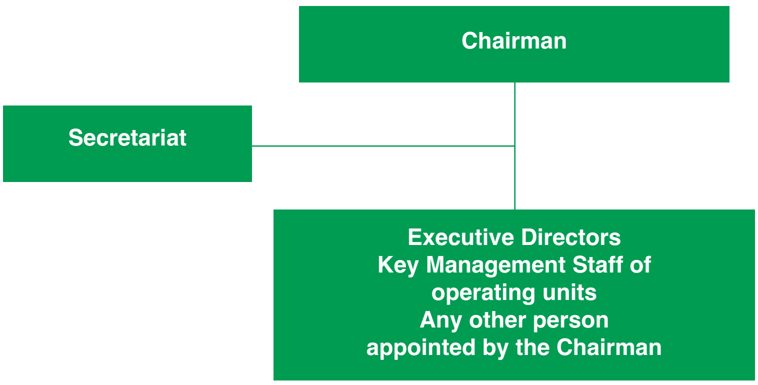
Risk Management & Sustainability Committee



Key Roles:

- Develop Group strategies and policies
- Monitoring sustainable performance

Risk Management & Sustainability Committee - Working Group



Roles:

- To monitor the implementation of sustainability practices and standards
- Raising sustainability practices awareness amongst employees
- Continues stakeholders engagement efforts

Note:
The Chairman of the Working Group can be a member of the Risk Management and Sustainability Committee or appointed by the Risk Management and Sustainability Committee

KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

ii. Risk Management Framework (Cont'd)

Significant risks identified for the financial year ended 31 January 2022

Anti Corruption and Anti Bribery

The Malaysian Anti-Corruption Commission (Amendment) Bill 2018 was gazetted on 4 May 2018 as the MACC Amendment Act 2018. The enforcement of provisions on corporate liability became effective on 1 June 2020. The provisions criminalise a commercial organisation if a person associated with it corruptly gives, agrees to give, promises or offers to any person any gratification with intent to obtain or retain business, or an advantage in the conduct of business, for the organisation. The Group has formulated policies and procedures, which will be reviewed regularly, to mitigate the potential risks.

COVID-19

The unprecedented COVID-19 pandemic has severely impacted the global economy. In Malaysia, to contain the spread of COVID-19, the Government imposed movement control measures but allowed industries providing essential services including the oil palm industry to operate provided they employ risk mitigation measures.

The Group's estates and mills have been operating largely as usual as these activities are classified as essential services. With the safety and health of our employees, contractors and stakeholders in mind, the Group implemented measures which included daily temperature screening for employees and visitors, the distribution of masks and hand sanitisers to employees, increased the frequency of disinfection of work spaces, vehicles and living quarters, restricted the non-essential movement of personnel and visitors to and from our properties and put in place safe distancing practices, amongst others.

Other key risks and actions taken are summarised below:

Risk Category	Description & Impact	Mitigation Measures
Operational Risk: Escalating operational costs	Escalating operational costs due to external factors e.g. the risk of increasing labour cost, weak Ringgit, increase in inflation and also due to increase in the size of the Group and commercial undertakings.	We apply close monitoring and adherence to the approved budget to keep our costs in check. The Group is constantly improving its productivity through efficient management of its labour force, introducing better tools to work with and mechanization in selected operational areas including consolidation and automation of the mills to be more labour efficient.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(CONT'D)

KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

ii. Risk Management Framework (Cont'd)

Risk Category	Description & Impact	Mitigation Measures
Operational Risk: Inability to achieve optimum oil yield per hectare due to ageing palm tree profile affecting overall palm oil yield	The factors that influence the yield of Fresh Fruit Bunches ("FFB") include the age and maturity of oil palms. Their prime productive period is at year 10 through 20 after planting. Thus, it is advisable for plantation companies to consider replanting after the palm age attained above 20 years to ensure continuous long-term efficient production and sustainable yields. However, newly planted oil palms do not yield FFB until they reach harvestable age, which is about two and half years after planting, and the yield of young trees are significantly lower than the yield of mature trees. Our replanting programme has a short to medium term impact on the FFB production which in turn may affect our revenue and margins.	We structured our replanting programme on a rolling basis to minimise the effect on FFB production in any given year. We have embarked on the programme since year 2009 and will continue until the age profile of our plantation is fully optimized.
Foreign Currency and Commodity Price Risks: Fluctuation of local and international commodity prices affecting prices of FFB, CPO and other palm oil milling products	Fluctuation in exchange rate between USD and Ringgit Malaysia could have adverse effect on palm oil prices. Change in import tariff on palm oil by major importing countries may affect palm oil prices which could impact the Group's revenue and profits. Globally, the palm oil competes with other edible oils, such as soybean oil. Our profit may be impacted by the fluctuation of palm oil prices which may result in a lower profit. A prolonged low palm oil prices would have a material adverse effect on the Group's cash flows and profits.	The Management constantly monitor the movement in palm oil commodity prices and may take steps to mitigate unfavourable movement in commodity prices, where necessary, to reduce the impact on the Group's financial performance. To achieve this, the Group may use derivatives such as Futures and Swap contract to hedge against cash flow risks faced by the Group arising from its forecasted probable production.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL
(CONT'D)

KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

ii. Risk Management Framework (Cont'd)

Risk Category	Description & Impact	Mitigation Measures
Environmental Risk: Erratic weather conditions impacting operation	Unfavourable weather such as prolonged dry weather and excessive rainfalls may affect FFB production and evacuation. Dry weather may also affect water supply to employees' quarters.	We have provided sufficient budget for the maintenance of infrastructure within our estates. Additional ponds are also progressively constructed and existing ponds are deepened especially to meet the requirements of the FFB processing mills. Our estates continuously explore new methods and innovation e.g., tube-well systems were introduced to mitigate drought conditions.
Human Resource and Labour Shortage Risks: High dependency on foreign labour	Due to difficulties in securing local labour, our plantation is highly dependent on foreign workers especially from Indonesia and Philippines for its operations. Additionally, policy changes, increased competition and intensified scrutiny of labour may impact our operations, which in turn leads to decrease in revenue and profit.	We have taken several initiatives to improve the relationship with our existing workers so that they can assist in recruitment. Relationship with the local authorities and recruiting agents has been emphasized to assist in the recruitment process.
Organisation Capability Risk: Ensuring Group has a talent pool with right competency and skillsets	Pool of talent with right skill-sets and competency is necessary to ensure continuous growth of the Group.	Apart from external trainings, in-house training programmes are developed for our employees to bridge the competency gap.
Competition Risk: Competition for FFB supply	The palm oil industry is highly competitive. The Group faces stiff competition for the supply of FFB locally as a large proportion of FFB supply is from external suppliers.	The Group has progressively reviewed and strengthened our marketing strategy and approach.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(CONT'D)

KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (Cont'd)

iii. Internal Audit Function

The roles, responsibilities and activities of the Internal Audit function are described and detailed on pages 89 to 90 under the Report of the Audit Committee in this Annual Report. There were neither major weaknesses in the system identified during the year, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Annual Report. Those areas of non-compliance with the procedures and policies and those which require improvements as highlighted by the Internal Auditors during the period are being addressed.

iv. Information and Communication

Information critical to meeting the Group's business objectives are communicated through established reporting lines across the Group. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and resolution on a timely basis.

v. Review and Monitoring Process

The Group's management teams carry out monthly monitoring and review of the Group's operations and performance, including financial results and forecasts for all business operations within the Group.

In addition to the above, scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues as and when necessary. The Board monitors the Group's performance by reviewing its quarterly results and operations and examines the announcement to Bursa Securities. These are usually reviewed by the Audit Committee before they are tabled to the Board for approval.

CONFIDENTIAL REPORTING

The Group's Whistle-blowing policy enables staff, in confidence, to raise concerns about possible improprieties in financial and other matters and to do so without fear of reprisal. Details of the policy are set out on the Company's website at www.kimloong.com.my. The Audit Committee receives reports on whistleblowing incidents and remains satisfied that the procedures in place are satisfactory to enable independent investigation and follow up action of all matters reported. No major issues have been reported in financial year 2022 (major issues being defined for this purpose as matters having a financial impact greater than RM10,000).

ASSURANCE PROVIDED BY THE MANAGING DIRECTOR AND FINANCE DIRECTOR

In line with the Guidelines, the Managing Director and Finance Director have provided assurance to the Board that the Group's risk management and internal control systems have been operated adequately and effectively, in all material aspects, to meet the Group's business objectives during the financial year under review.

The Managing Director and Finance Director have in turn obtained relevant assurance from the business heads in the Group.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL
(CONT'D)

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2022.

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Governance & Financial Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the Governance & Financial Report of the Group for the year ended 31 January 2022, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Report of the Group, in all material aspects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management & Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in this Report will, in fact, remedy the problems.

CONCLUSION

The Board is of the view that the system of internal control in place throughout the year under review is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators, employees of the Group and to facilitate the expansion of its operations. Additionally, the Board regards the risks faced by the Group are within acceptable levels to the business environment within which the Group operates.

There were no material losses or fraud during the current financial year as a result of internal control failures and the Board and Management are continuously taking measures to improve and strengthen the internal control framework and environment of the Group.

This Statement is made in accordance with a resolution of the Board of Directors dated 17 May 2022.

REPORT OF THE AUDIT COMMITTEE

The Board of Directors of Kim Loong Resources Berhad is pleased to present the Report of the Audit Committee which lays out the activities held throughout the financial year ended 31 January 2022 and in compliance with Paragraph 15.15 (1) of the MMLR of Bursa Securities.

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee presently comprises three (3) Directors of the Board, all of whom are Independent Non-Executive Directors. The members are:

Chairman	:	Gan Kim Guan
Members	:	Chan Weng Hoong
		Cheang Kwan Chow
Secretaries	:	Chong Fook Sin, Kan Chee Jing, Chua Yoke Bee

MEMBERSHIP

The Audit Committee is appointed by the Board of Directors from amongst the Non-Executive Directors and consists of three (3) members, all of whom are Independent Non-Executive Directors.

The Chairman of the Audit Committee, Mr Gan Kim Guan, is a member of the Malaysian Institute of Accountants (MIA) and has therefore complied with Paragraph 15.09(1)(c)(i) of the MMLR.

MEETINGS

During the financial year 2022, the Audit Committee held a total of six (6) meetings with the attendance of the Finance Director, Group Financial Controller, Head of Internal Audit, senior representative of the External Auditors and the Company Secretaries.

A quorum consists of two (2) members present and both of whom must be Independent Directors. Other Board members and Senior Management may attend meetings upon the invitation of the Audit Committee. Both the Internal and External Auditors, too, may request a meeting if they consider that one is necessary.

During the financial year, the Chairman of the Audit Committee had engaged on a continuous basis with Senior Management, Head of Internal Audit and the External Auditors, in order to keep abreast of matters and issues affecting the Group.

The Company Secretary acts as the secretary to the Audit Committee. Minutes of each meeting are distributed electronically to each Board member, and the Chairman of the Audit Committee reports on key issues discussed at each meeting to the Board.

Details of the Audit Committee members' attendance are tabled below:

Member	Total number of meetings held in the financial year during Member's tenure in Office	Meeting attended by member
Gan Kim Guan	6	6
Chan Weng Hoong	6	6
Cheang Kwan Chow	6	6

REPORT OF THE AUDIT COMMITTEE
(CONT'D)

TERMS OF REFERENCE

The details of the Terms of Reference of the Audit Committee are available at www.kimloong.com.my

SUMMARY OF WORKS OF THE AUDIT COMMITTEE

The Audit Committee met at scheduled times with due notices of meetings issued, and with agenda planned and itemised so that issues raised were deliberated and discussed in a focussed and detailed manner.

During the financial year 2022, the Audit Committee discharged its duties and responsibilities in accordance with its Terms of Reference.

The Chairman of the Audit Committee reported on each meeting to the Board. Detailed audit reports by the External Auditors, Internal Auditors and the respective Management response were circulated to members of the Committee before each meeting.

The main works undertaken by the Audit Committee were as follows:

Financial and Operations Review

- Reviewed and recommended for the Board's approval the quarterly reports for announcement to Bursa Securities in compliance with the Malaysian Financial Reporting Standards and adhered to other legal and regulatory requirements;
- Reviewed the annual audited financial statements of the Group and of the Company. The Audit Committee discussed with the management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements;
- Reviewed the impact of new or proposed changes in accounting standards and regulatory requirements on the Group; and
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with the Code in conjunction with the preparation of the Corporate Governance Overview Statement and Statement on Risk Management & Internal Control.

External Audit

- Reviewed the External Auditors' annual audit plan and audit strategy for the financial year ended 31 January 2022 to ensure their scope of work adequately covered the activities of the Group and of the Company;
- Discussed with the management and the External Auditors the Malaysian Financial Reporting Standards applicable to the financial statements of the Group and of the Company that were applied and their judgement of the items that may affect the financial statements;
- Reviewed with the External Auditors, the result of the audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of the audit that required appropriate actions and the Management's responses thereon;
- Inquired of the External Auditors whether they have become aware of any items relating to the detection of material illegal acts or material related party transactions during the course of their procedures;
- Reviewed and evaluated the External Auditors' performance, objectivity and independence during the year before recommending to the Board for reappointment and remuneration;
- Held independent meeting (without the presence of Management) with the External Auditors; and
- Reviewed and approved the provision of non-audit services by the External Auditors that were agreed to prior to their commencement of such work and confirmed as permissible for them to undertake, as provided under the By-Laws of the Malaysian Institute of Accountants.

REPORT OF THE AUDIT COMMITTEE
(CONT'D)

SUMMARY OF WORKS OF THE AUDIT COMMITTEE (Cont'd)

The amount of audit and non-audit fees incurred for the financial year ended 31 January 2022 were as follows:

Fees Incurred	Audit Fees RM	Non-Audit Fees RM
The Group	385,000	6,000
The Company	65,000	6,000

Internal Audit

- Reviewed and approved the Internal Auditors' plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries;
- Reviewed the internal audit reports presented by the Internal Auditors on findings, recommendations and management responses thereto and ensured that material findings were adequately addressed by Management and reported relevant issues to the Board;
- Held independent meeting (without the presence of Management) with the Internal Auditors;
- Reviewed whistleblowing activities to monitor the actions taken by the Group in respect of whistleblowing reports received; and
- Monitored the implementation of the audit recommendation to ensure all the key risks and controls have been addressed.

Risk Management

- Reviewed the outcome of the risk management programme, including key risks identified, the potential impacts and the likelihood of the risks occurring, existing controls which can mitigate the risks and action plans; and
- Reviewed the Risk Management and Sustainability Committee's reports and assessment.

Related Party Transactions

- The Audit Committee reviewed all significant related party transactions and recurrent related party transactions entered into by the Group and the Company to ensure that such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the internal control procedures employed are both sufficient and effective before recommending to the Board for approval.

Reporting Responsibilities

- Regularly reported to the Board of Directors about the Committee's activities, issues and related recommendations.
- Provided an open avenue of communication between the Internal Auditors, the External Auditors and the Board of Directors.
- Reported annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by Listing Requirements, including approval of non-audit services.
- Reviewed any other reports issued by the Company that relate to the Committee's responsibilities.

REPORT OF THE AUDIT COMMITTEE
(CONT'D)

TRAINING

During the financial year, Audit Committee members attended various seminars, training programmes and conferences. Kindly refer to the Corporate Governance Overview Statement on page 62 and 63 for further details.

INTERNAL AUDIT FUNCTION

The Group's internal audit function adopts a co-sourcing model whereby risk management, and specialised audits are performed by the Assurance and Governance Department of the Company which acts independently from the activities and operations of the Group and KPMG Management & Risk Consulting Sdn. Bhd., a professional services firm has been appointed to perform risk-based internal audit where the results were directly reported to the Audit Committee.

The main purposes of the Internal Auditors are:

- To review effectiveness of the Group's systems of internal controls;
- To assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control system for the Board as well as to assist in drafting the Statement on Risk Management & Internal Control in the Annual Report;
- To support the Audit Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and co-develop a prioritized action plan to further enhance the internal control system;
- To identify the key business processes within the Group and the Company that Internal Audit should focus on;
- To allocate necessary resources to selected areas of audit in order to provide management and the Audit Committee an effective and efficient level of internal audit coverage; and
- To coordinate risk identification and risk management processes and activities.

The Internal Auditors adopt a risk-based auditing approach by focusing on identified high risk areas for compliance with control policies and procedures, identifying business risks which have not been appropriately addressed and evaluating the adequacy and integrity of controls and statutory requirements. Submission of the audit results to the Management and the Audit Committee would ensure that the Management is compliant with the internal control systems and implementing continuous improvement.

During the financial year under review, the Internal Auditors carried out periodic internal audit reviews in accordance with the approved internal audit plan to monitor compliance with the Group's procedures and to review the adequacy and effectiveness of the Group's system of risk management and internal control. The results of these reviews have been presented to the Audit Committee at their scheduled meetings. Follow up reviews were also conducted to ensure that the recommendations for improvement have been implemented by Management on a timely basis.

The Internal Auditors communicate regularly and report directly to the Audit Committee on their activities based on the approved Annual Internal Audit Plan to ensure their independent status within the Group. The Internal Auditors are also invited to attend all meetings of the Audit Committee. The total cost incurred in respect of the internal audit function during the financial year was approximately RM608,000.

REPORT OF THE AUDIT COMMITTEE
(CONT'D)

INTERNAL AUDIT FUNCTION (Cont'd)

The Internal Auditors assisted the Audit Committee in discharging its duties and responsibilities with respect to adequacy and integrity of internal control within the Group. The Internal Auditors undertook the following works in accordance with the approved Audit Plan:

i. Carrying out the internal auditing of the Group.
ii. Facilitating the improvement of business processes within the Group.
iii. Establishing a follow up process in monitoring the implementation of audit recommendation by Management.
iv. Monitoring the effectiveness of the Group's risk management systems by reviewing the implementation of the risk assessment action plans by Management.
v. Conducting investigation audits or special assignment from time to time as requested by Management.

CONCLUSION

During the financial year, the Audit Committee carried out its duties and responsibilities in accordance with its terms of reference and held discussions with the Internal Auditors, External Auditors and relevant members of Management. The Audit Committee is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on the reviews made and discussions held.

This Report is made in accordance with a resolution of the Board of Directors dated 17 May 2022.

REPORT OF THE REMUNERATION COMMITTEE

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	:	Gan Kim Guan
Members	:	Chan Weng Hoong
		Cheang Kwan Chow
Secretaries	:	Chong Fook Sin, Kan Chee Jing, Chua Yoke Bee

TERMS OF REFERENCE

The details of the Terms of Reference of the Remuneration Committee are available on the Company's website at www.kimloong.com.my

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2022. The attendance of the members of the Committee of the meetings is as follows:

Member	Total number of meetings held in the financial year during Member's tenure in Office	Meeting attended by member
Gan Kim Guan	1	1
Chan Weng Hoong	1	1
Cheang Kwan Chow	1	1

The main activities undertaken by the Committee during the year under review were as follows:

- Reviewed the structure of the remuneration package for each of the Executive Directors and Senior Management; and
- Reviewed the performance bonuses for each of the Executive Directors and Senior Management.

This Report is made in accordance with a resolution of the Board of Directors dated 17 May 2022.

REPORT OF THE NOMINATING COMMITTEE

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	:	Gan Kim Guan
Members	:	Chan Weng Hoong
		Cheang Kwan Chow
Secretaries	:	Chong Fook Sin, Kan Chee Jing, Chua Yoke Bee

TERMS OF REFERENCE

The details of the Terms of Reference of the Nominating Committee are available on the Company's website at www.kimloong.com.my

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2022.

The attendance of the members of the Committee of the meetings is as follows:

Member	Total number of meetings held in the financial year during Member's tenure in Office	Meeting attended by member
Gan Kim Guan	1	1
Chan Weng Hoong	1	1
Cheang Kwan Chow	1	1

The main activities undertaken by the Committee during the year under review were as follows:

a) Reviewed the re-election of Directors retiring at the AGM as provided in the Constitution of the Company;
b) Assessed the independence of Independent Directors;
c) Reviewed the composition and the required mix of skills, experience and other qualities of the Board and gender diversity;
d) Reviewed the effectiveness of the Board as a whole and the Board Committees and performance of each of the Board members and the Audit Committee members; and
e) Reviewed and recommended retention of Independent Director.

This Report is made in accordance with a resolution of the Board of Directors dated 17 May 2022.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2022.

Principal activities

The principal activities of the Company are those of cultivation of oil palm and investment holding.

The principal activities and other information relating to the subsidiaries are disclosed in Note 17 to the financial statements.

Results

	Group RM	Company RM
Profit net of tax	167,041,840	66,450,483
Profit net of tax attributable to:		
Owners of the Company	136,579,834	66,450,483
Non-controlling interests	30,462,006	-
	167,041,840	66,450,483

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid by the Company since 31 January 2021 were as follows:

	RM
In respect of the financial year ended 31 January 2021:	
- Final single-tier dividend of 3 sen per share on 953,929,463 ordinary shares, declared on 16 April 2021 and paid on 30 August 2021	28,617,884
In respect of the financial year ended 31 January 2022:	
- Interim single-tier dividend of 5 sen per share on 964,249,569 ordinary shares, declared on 28 September 2021 and paid on 18 November 2021	48,212,478
- Special single-tier dividend of 4 sen per share on 965,415,320 ordinary shares, declared on 28 December 2021 and paid on 17 February 2022	38,616,613
	115,446,975

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 31 January 2022 of 5 sen per ordinary share, amounting to a dividend payable of RM48,272,653 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2023.

DIRECTORS' REPORT
(CONT'D)

Directors

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Gooi Seong Lim *	
Gooi Seong Heen *	
Gooi Seong Chneh *	
Gooi Seong Gum *	
Gan Kim Guan	
Chan Weng Hoong	
Cheang Kwan Chow	
Gooi Khai Chien *	(Alternate Director to Gooi Seong Lim)
Gooi Chuen Kang	(Alternate Director to Gooi Seong Heen)

* These directors are also directors of the Company's subsidiaries.

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Dato' Tan Sui Hou	
Datuk Yusoff @ Hunter Bin Mohamed Kasim	
Gan Liong Hoe @ Zephyrinus	
Lee Nyuk Choon @ Jamilah Ariffin (f)	
Andree Alexander Funk	
Monaliza Binti Zaidel (f)	
George Lentton Anak Indang	
Zainah Binte Ibrahim (f)	
Quek Sai Luang (f)	
Chang Chow Swan	
Rizal Shah Bin Abdullah @ Mahadevan A/L Chellam	
Yeo Jon Tian @ Eeyo Jon Thiam	
Datuk Tuan Hj Mohamed Bin Mahmood	
Tuan Hj Ramley Bin Othman	
Gee Ping Tou	
Lim Chor Lan (f)	
Gooi Tsih Ern (f)	
Yap Chee Chin	
Mohd Shah bin Kardi	
Mohd Faiz bin Md Yasin	
Samry Bin Suhaimin	
Shahron @ Omar Bin Osin	(Appointed on 12 August 2021)
Emiliana Chin Yen Ling (f)	(Appointed on 12 August 2021)
Tuan Hj Othman Bin Taib	(Appointed on 24 January 2022)
Soh Geok Toh (f)	(Resigned on 4 March 2021)
Ahmad Bin Abu Bakar	(Resigned on 1 May 2021)
Abdul Rashid Bin Abdul Kassim	(Resigned on 1 June 2021)
Subramaniam A/L V.V. Chellam	(Deceased on 8 March 2022)

DIRECTORS' REPORT
(CONT'D)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

The Directors' benefits are as follows:

	Group RM	Company RM
Salaries and other emoluments	7,301,000	4,637,500
Fees	636,000	288,000
Defined contribution plan	1,379,400	877,800
Social security costs	14,227	2,371
Estimated money value of benefit-in-kind	59,493	57,759
	9,390,120	5,863,430

Indemnifying Directors or Officers

No indemnities have been given or insurance premium paid, during or since the end of the year, for any person who is or has been the Director or Officer of the Company.

Directors' interests

The following Directors who held office at the end of the financial year had, according to the register of Directors' shareholdings, interests in shares in the Company and its related corporations as stated below:

		Number of ordinary shares		
	1.2.2021	Acquired	Sold	31.1.2022
The Company				
Gooi Seong Lim				
- direct interest	5,756,400	346,132	-	6,102,532
- indirect interest	602,519,603	29,916,369	-	632,435,972
Gooi Seong Heen				
- direct interest	5,303,736	265,186	-	5,568,922
- indirect interest	598,511,606	29,699,170	-	628,210,776
Gooi Seong Chneh				
- direct interest	4,883,736	244,186	-	5,127,922
- indirect interest	598,511,606	29,715,970	-	628,227,576

Directors' interests (cont'd)

	1.2.2021	Number of ordinary shares Acquired	Sold	31.1.2022
The Company (cont'd)				
Gooi Seong Gum				
- direct interest	397,800	-	-	397,800
- indirect interest	598,679,606	29,699,170	-	628,378,776
Gooi Khai Chien				
- indirect interest	2,999,997	149,999	-	3,149,996

	1.2.2021	Number of warrants 2018/2025 Acquired	Exercised	31.1.2022
The Company				
Gooi Seong Lim				
- direct interest	102,532	-	102,532	-
- indirect interest	29,916,369	-	29,916,369	-
Gooi Seong Heen				
- direct interest	265,186	-	265,186	-
- indirect interest	29,715,970	-	29,699,170	16,800
Gooi Seong Chneh				
- direct interest	244,186	-	244,186	-
- indirect interest	29,715,970	-	29,715,970	-
Gooi Seong Gum				
- direct interest	19,890	-	-	19,890
- indirect interest	29,724,370	-	29,699,170	25,200
Gooi Khai Chien				
- indirect interest	149,999	-	149,999	-

	1.2.2021	Number of ordinary shares Acquired	Sold	31.1.2022
Holding company Sharikat Kim Loong Sendirian Berhad				
Gooi Seong Lim				
- direct interest	22,125	-	10	22,115
- indirect interest	11,250	10	-	11,260
Gooi Seong Heen				
- direct interest	22,125	-	10	22,115
- indirect interest	11,250	10	-	11,260

DIRECTORS' REPORT
(CONT'D)

Directors' interests (cont'd)

	Number of ordinary shares 1.2.2021	Acquired	Sold	31.1.2022
Holding company				
Sharikat Kim Loong Sendirian Berhad (cont'd)				
Gooi Seong Chneh				
- direct interest	22,125	-	10	22,115
- indirect interest	11,250	10	-	11,260
Gooi Seong Gum				
- direct interest	22,125	-	10	22,115
- indirect interest	11,250	10	-	11,260
Related corporation				
Crescendo Corporation Berhad				
Gooi Seong Lim				
- direct interest	1,130,452	-	-	1,130,452
- indirect interest	196,063,786	-	-	196,063,786
Gooi Seong Heen				
- direct interest	4,559,121	-	-	4,559,121
- indirect interest	192,216,114	-	-	192,216,114
Gooi Seong Chneh				
- direct interest	4,144,124	-	-	4,144,124
- indirect interest	192,148,114	-	-	192,148,114
Gooi Seong Gum				
- indirect interest	192,148,114	-	-	192,148,114
Gooi Khai Chien				
- indirect interest	3,775,672	-	-	3,775,672
Related corporation				
Crescendo Overseas Corporation Sdn. Bhd.				
Gooi Seong Lim				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Gooi Seong Heen				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Gooi Seong Chneh				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Gooi Seong Gum				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000

Directors' interests (cont'd)

		Number of ordinary shares		
	1.2.2021	Acquired	Sold	31.1.2022
Related corporation				
Panoramic Housing Development Sdn. Bhd.				
Gooi Seong Lim				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Heen				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Chneh				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Gum				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200

By virtue of their interests in the shares in the holding company, Sharikat Kim Loong Sendirian Berhad, Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum are also deemed to have interests in the shares in the Company and its related corporations to the extent that the holding company has interests.

The other Directors in the office at the end of the financial year had no interest in shares in the Company and its related corporations during the financial year.

Issue of shares, share options and debentures

During the financial year, the Company issued 31,805,588 new ordinary shares pursuant to the exercise of 31,805,588 warrants and the relevant details are disclosed in Note 29(b) to the financial statements.

The Company did not issue any debentures or grant any share options during the financial year.

Treasury shares

During the financial year, the Company did not repurchase any ordinary shares from the open market. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

At 31 January 2022, the Company held as treasury shares a total of 1,806,000 of its 967,221,320 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,625,853 and further relevant details are disclosed in Note 29(c) to the financial statements.

Holding and ultimate holding company

The Directors regard Sharikat Kim Loong Sendirian Berhad, a company incorporated in Malaysia, as the Company's holding and ultimate holding company.

DIRECTORS' REPORT
(CONT'D)

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant event

Details of significant event are disclosed in Note 41 to the financial statements.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM	Company RM
Ernst & Young PLT		
- Statutory audit	385,000	65,000
- Other services	6,000	6,000
	391,000	71,000

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 January 2022.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 17 May 2022.

Gooi Seong Heen

Gooi Seong Chneh

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Gooi Seong Heen and Gooi Seong Chneh, being two of the Directors of Kim Loong Resources Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 107 to 187 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2022 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 17 May 2022.

Gooi Seong Heen

Gooi Seong Chneh

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Chow Kok Hiang, being the Officer primarily responsible for the financial management of Kim Loong Resources Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 107 to 187 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed Chow Kok Hiang at)
Johor Bahru in the State of Johor)
Darul Ta'zim on 17 May 2022.)

Chow Kok Hiang

Before me,

PENGERAN HIDAYATULLAH BIN MD ALI
No. J357
Commissioner for Oaths
Johor Bahru

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIM LOONG RESOURCES BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kim Loong Resources Berhad, which comprise the statements of financial position as at 31 January 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 107 to 187.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition

(Refer to Notes 2.19 and 4 to the financial statements).

Revenue from sale of palm oil milling products recognised by the Group during the year amounted to RM1.66 billion. Given the nature of the business operations of the Group, we identified revenue recognition in respect of sale of palm oil milling products to be an area of audit focus as we consider the high volume of transactions to be a possible cause of higher risk of material misstatements in the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIM LOONG RESOURCES BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D)

How our audit addressed the matter

Our audit procedures to address this area of focus included amongst others:

i. testing the Group's internal controls over timing and amount of revenue recognised;

ii. inspecting the terms of significant sales transactions to determine the point of transfer of control and assessing whether revenue was recognised in accordance with the terms stated in the respective sales invoices and sales contracts;

iii. inspecting documents, on sampling basis, which evidenced the sales of goods to customers;

iv. testing the recording of sales transactions close to the year end, including credit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period; and

v. assessing the adequacy of the disclosures made in the financial statements.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprise the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group's and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIM LOONG RESOURCES BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KIM LOONG RESOURCES BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Lee Ming Li
02983/03/2024 J
Chartered Accountant

Johor Bahru, Malaysia
Date: 17 May 2022

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue	4	1,702,716,063	971,677,438	41,791,371	23,376,136
Cost of sales	5	(1,435,535,617)	(796,887,132)	(13,756,404)	(11,358,080)
Gross profit		267,180,446	174,790,306	28,034,967	12,018,056
Other items of income	6	12,921,276	19,405,836	75,703,418	76,568,321
Other items of expense					
Distribution cost		(21,194,392)	(18,312,756)	(2,206,449)	(1,468,725)
Administrative expenses		(30,379,679)	(26,525,146)	(17,186,392)	(15,991,745)
Finance costs	7	(1,939,026)	(1,008,453)	-	-
Other expenses		(16,257,835)	(3,798,294)	(14,724,934)	(378,891)
Profit before tax	8	210,330,790	144,551,493	69,620,610	70,747,016
Taxation	11	(43,288,950)	(33,930,220)	(3,170,127)	(3,408,947)
Profit net of tax, representing total comprehensive income for the year		167,041,840	110,621,273	66,450,483	67,338,069
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Net movement on cash flow hedge		(6,752,000)	-	(1,847,250)	-
Tax relating to cash flow hedge		1,620,480	-	443,340	-
Other comprehensive income for the year, net of tax		(5,131,520)	-	(1,403,910)	-
Total comprehensive income for the year		161,910,320	110,621,273	65,046,573	67,338,069
Profit net of tax attributable to:					
Owners of the Company		136,579,834	94,891,349	66,450,483	67,338,069
Non-controlling interests		30,462,006	15,729,924	-	-
		167,041,840	110,621,273	66,450,483	67,338,069

The accompanying accounting policies and explanatory notes form
an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Total comprehensive income attributable to:					
Owners of the Company		131,448,314	94,891,349	65,046,573	67,338,069
Non-controlling interests		30,462,006	15,729,924	-	-
		161,910,320	110,621,273	65,046,573	67,338,069
Earnings per share attributable to owners of the Company (sen per share):					
- Basic	12	14.42	10.16		
- Diluted	12	14.40	10.15		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Assets					
Non-current assets					
Property, plant and equipment	13	264,944,372	255,814,474	12,050,330	12,357,335
Right-of-use assets	14	337,499,356	287,374,960	171,326,788	174,244,138
Bearer plants	15	132,985,079	91,466,532	31,340,126	30,248,691
Investment properties	16	5,810,206	5,876,424	5,810,206	5,876,424
Investment in subsidiaries	17	-	-	46,669,211	46,669,211
Other receivables	20	-	-	126,431,620	92,885,331
Deferred tax assets	27	6,043,400	3,374,640	-	-
Prepayments for acquisition of property, plant and equipment	32	3,439,347	26,030,219	-	21,728,654
		750,721,760	669,937,249	393,628,281	384,009,784
Current assets					
Inventories	18	33,421,666	20,463,824	1,687,236	225,427
Biological assets	19	5,843,000	3,181,000	883,000	420,000
Trade and other receivables	20	58,215,733	48,790,971	8,900,497	7,934,775
Prepayments		2,721,828	3,144,503	583,178	498,878
Tax recoverable		2,629,384	2,989,939	-	-
Short term funds	22	102,277,269	105,868,400	28,530,107	27,250,763
Cash and bank balances	23	308,512,711	232,103,780	83,169,094	85,302,282
		513,621,591	416,542,417	123,753,112	121,632,125
Total assets		1,264,343,351	1,086,479,666	517,381,393	505,641,909
Equity and liabilities					
Current liabilities					
Trade and other payables	25	132,346,134	69,478,887	10,204,356	4,800,650
Loans and borrowings	26	10,884,922	11,688,086	-	-
Derivatives	21	8,234,764	-	3,330,014	-
Dividend payable		38,616,613	28,008,292	38,616,613	28,008,292
Tax payable		8,035,534	5,482,371	797,000	916,000
		198,117,967	114,657,636	52,947,983	33,724,942
Net current assets		315,503,624	301,884,781	70,805,129	87,907,183

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2022 (CONT'D)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-current liabilities					
Loans and borrowings	26	55,482,000	37,620,000	-	-
Deferred tax liabilities	27	91,318,399	90,044,214	43,671,057	45,282,036
Government grants	28	-	-	-	-
		146,800,399	127,664,214	43,671,057	45,282,036
Total liabilities		344,918,366	242,321,850	96,619,040	79,006,978
Net assets		919,424,985	844,157,816	420,762,353	426,634,931
Equity attributable to owners of the Company					
Share capital	29	369,304,297	318,436,618	369,304,297	318,436,618
Treasury shares	29(c)	(1,625,853)	(1,625,853)	(1,625,853)	(1,625,853)
Hedging reserve	30	(5,131,520)	-	(1,403,910)	-
Retained earnings	31	447,256,033	432,463,029	54,487,819	109,824,166
		809,802,957	749,273,794	420,762,353	426,634,931
Non-controlling interests		109,622,028	94,884,022	-	-
Total equity		919,424,985	844,157,816	420,762,353	426,634,931
Total equity and liabilities		1,264,343,351	1,086,479,666	517,381,393	505,641,909

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022

			Attributable to owners of the Company					
					Non-distributable	Distributable		
	Note	Total equity RM	Total RM	Share capital (Note 29) RM	Hedging reserve (Note 30) RM	Retained earnings (Note 31) RM	Treasury shares (Note 29(c)) RM	Non-controlling interests
At 1 February 2021		844,157,816	749,273,794	318,436,618	-	432,463,029	(1,625,853)	94,884,022
Changes in equity for the year:								
Profit net of tax		167,041,840	136,579,834	-	-	136,579,834	-	30,462,006
Other comprehensive income		(5,131,520)	(5,131,520)	-	(5,131,520)	-	-	-
Total comprehensive income		161,910,320	131,448,314	-	(5,131,520)	136,579,834	-	30,462,006
Transactions with owners								
Issuance of shares arising from exercise of warrants	29(b)	44,527,824	44,527,824	50,867,679	-	(6,339,855)	-	-
Dividends to non-controlling interests		(15,724,000)	-	-	-	-	-	(15,724,000)
Dividends for the year ended								
- 31 January 2021	40	(28,617,884)	(28,617,884)	-	-	(28,617,884)	-	-
- 31 January 2022	40	(86,829,091)	(86,829,091)	-	-	(86,829,091)	-	-
Total transactions with owners		(86,643,151)	(70,919,151)	50,867,679	-	(121,786,830)	-	(15,724,000)
At 31 January 2022		919,424,985	809,802,957	369,304,297	(5,131,520)	447,256,033	(1,625,853)	109,622,028

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

			Attributable to owners of the Company					
					Non-distributable	Distributable		
	Note	Total equity RM	Total RM	Share capital (Note 29) RM	Hedging reserve (Note 30) RM	Retained earnings (Note 31) RM	Treasury shares (Note 29(c)) RM	Non-controlling interests
At 1 February 2020		807,025,768	719,731,670	318,433,258	-	402,924,265	(1,625,853)	87,294,098
Changes in equity for the year:								
Profit net of tax, representing total comprehensive income		110,621,273	94,891,349	-	-	94,891,349	-	15,729,924
Transactions with owners								
Issuance of shares arising from exercise of warrants		3,360	3,360	3,360	-	-	-	-
Dividends to non-controlling interests		(8,140,000)	-	-	-	-	-	(8,140,000)
Dividends for the year ended - 31 January 2021	40	(65,352,585)	(65,352,585)	-	-	(65,352,585)	-	-
Total transactions with owners		(73,489,225)	(65,349,225)	3,360	-	(65,352,585)	-	(8,140,000)
At 31 January 2021		844,157,816	749,273,794	318,436,618	-	432,463,029	(1,625,853)	94,884,022

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022

	Note	Total equity RM	Share capital (Note 29) RM	Non-distributable Hedging reserve (Note 30) RM	Distributable Retained earnings (Note 31) RM	Distributable Treasury shares (Note 29(c)) RM
At 1 February 2021		426,634,931	318,436,618	-	109,824,166	(1,625,853)
Changes in equity for the year:						
Profit net of tax		66,450,483	-	-	66,450,483	-
Other comprehensive income		(1,403,910)	-	(1,403,910)	-	-
Total comprehensive income		65,046,573	-	(1,403,910)	66,450,483	-
Transactions with owners						
Issuance of shares arising from exercise of warrants	29(b)	44,527,824	50,867,679	-	(6,339,855)	-
Dividends for the year ended						
- 31 January 2021	40	(28,617,884)	-	-	(28,617,884)	-
- 31 January 2022	40	(86,829,091)	-	-	(86,829,091)	-
Total transactions with owners		(70,919,151)	50,867,679	-	(121,786,830)	-
At 31 January 2022		420,762,353	369,304,297	(1,403,910)	54,487,819	(1,625,853)
At 1 February 2020		424,646,087	318,433,258	-	107,838,682	(1,625,853)
Changes in equity for the year:						
Profit net of tax, representing total comprehensive income		67,338,069	-	-	67,338,069	-
Transactions with owners						
Issuance of shares arising from exercise of warrants		3,360	3,360	-	-	-
Dividends for the year ended						
- 31 January 2021	40	(65,352,585)	-	-	(65,352,585)	-
Total transactions with owners		(65,349,225)	3,360	-	(65,352,585)	-
At 31 January 2021		426,634,931	318,436,618	-	109,824,166	(1,625,853)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Operating activities				
Cash receipts from customers	1,689,193,375	974,234,259	49,888,853	31,956,264
Rental received	297,525	188,728	140,820	50,400
Interest received	5,440,210	6,885,746	7,951,973	9,121,308
Dividends received	-	-	57,060,000	56,110,000
Cash paid to suppliers and employees	(1,427,094,352)	(795,759,624)	(36,246,055)	(23,926,136)
Cash generated from operations	267,836,758	185,549,109	78,795,591	73,311,836
Interest paid	(1,940,146)	(980,710)	-	-
Net tax paid	(40,150,876)	(26,689,737)	(4,456,766)	(1,841,483)
Net cash generated from operating activities	225,745,736	157,878,662	74,338,825	71,470,353
Investing activities				
Acquisition of bearer plants, right-of-use assets and property, plant and equipment (Note a)	(99,522,313)	(55,091,131)	(2,388,914)	(16,515,306)
Advances to subsidiaries	-	-	(46,819,062)	(1,576,045)
Repayments from subsidiaries	-	-	33,580,000	47,184,000
Placement of fixed deposit pledged	(11,410)	(15,537)	-	-
Government grants received	-	2,246,000	-	-
Net withdrawal from/(investment in) short term funds	4,702,148	(10,685,055)	(609,207)	8,928,531
Net proceeds from compulsory acquisition	3,206,477	-	-	-
Proceeds from disposal of property, plant and equipment	742,573	18,958	76,000	16,200
Sundry advances	(257,696)	(600,000)	-	-
Net cash (used in)/generated from investing activities	(91,140,221)	(64,126,765)	(16,161,183)	38,037,380
Financing activities				
Dividends paid	(104,838,654)	(37,344,293)	(104,838,654)	(37,344,293)
Dividends paid to non-controlling interests	(14,956,000)	(8,140,000)	-	-
Proceeds from issuance of shares	44,527,824	3,360	44,527,824	3,360
Proceeds from bank borrowings	30,000,000	40,000,000	-	-
Repayments of bank borrowings	(12,092,000)	(4,020,000)	-	-
Net cash used in financing activities	(57,358,830)	(9,500,933)	(60,310,830)	(37,340,933)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net increase/(decrease) in cash and cash equivalents	77,246,685	84,250,964	(2,133,188)	72,166,800
Cash and cash equivalents at beginning of the year	230,258,120	145,879,692	85,302,282	13,008,018
Effect of exchange rates changes on cash and cash equivalents	-	127,464	-	127,464
Cash and cash equivalents at the end of the year (Note 23)	307,504,805	230,258,120	83,169,094	85,302,282

Note a: Acquisition of bearer plants, right-of-use assets and property, plant and equipment

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Bearer plants, right-of-use assets and property, plant and equipment acquired	139,751,780	45,978,307	3,112,401	4,426,301
Less expenses capitalised:				
- depreciation	(1,855,928)	(1,766,492)	(723,487)	(953,908)
Cash paid for prior year's acquisition	5,487,402	8,550,210	-	573,088
Unpaid balances of current year's acquisition included under payables	(21,740,496)	(5,669,830)	-	-
Prepayment/deposits paid in prior year	(23,606,756)	(7,048,764)	-	-
Prepayment/deposits paid in current year	1,486,311	15,047,700	-	12,469,825
Cash paid	99,522,313	55,091,131	2,388,914	16,515,306

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Lot 18.01, 18th Floor, Public Bank Tower, 19, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor. The registered office of the Company is located at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No.1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are those of cultivation of oil palm and investment holding. The principal activities and other information relating to the subsidiaries are disclosed in Note 17 to the financial statements.

The Directors regard Sharikat Kim Loong Sendirian Berhad, a company incorporated in Malaysia, as the Company's holding and ultimate holding company.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on a historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 February 2021, the Group and the Company adopted the following Amendments mandatory for annual financial periods beginning on or after 1 January 2021.

Description	Effective for annual periods beginning on or after
Amendment to MFRS 16: Leases - Covid-19 Related Rent Concessions	1 June 2020
Amendments to MFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021

The Amendments above did not have any material impact on the financial statements in the year of initial adoption.

2.3 Standards, Annual Improvements and Amendments issued but not yet effective

The Standards, Annual Improvements and Amendments that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these Standards, Annual Improvements and Amendments if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendment to MFRS 16: Leases - Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3: Business Combinations - Reference to the Conceptual Framework	1 January 2022

2. Summary of significant accounting policies (cont'd)

2.3 Standards, Annual Improvements and Amendments issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2023
- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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

With the exception of the following Amendments, the Directors expect that the adoption of the above Standards, Annual Improvements and Amendments will not have material impact on the financial statements of the Group and of the Company in the period of initial application:

- Amendments to MFRS 101: Presentation of Financial Statements (Disclosure of Accounting Policies)

  The requirement for entities to disclose their 'significant' accounting policies have been replaced with a requirement to disclose their 'material' accounting policies. The Amendments may impact the accounting disclosures of the Group and of the Company.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Group, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of an investment.

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.6 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Foreign currency

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.8 Property, plant and equipment and bearer plants

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

2. Summary of significant accounting policies (cont'd)

2.8 Property, plant and equipment and bearer plants (cont'd)

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting.

Freehold land has unlimited useful life and therefore is not depreciated. New planting and replanting expenditure incurred on land clearing, development and upkeep of immature oil palms (including interest incurred) during the pre-maturity period (pre-cropping costs) is not depreciated. Upon maturity, all subsequent maintenance expenditure is charged to profit or loss. Depreciation commences when the bearer plants mature or when the assets are ready for use. Other property, plant and equipment are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives as follows:

	Number of years
Buildings	10 - 50
Bearer plants	10 - 20
Plant and machinery	4 - 17
Equipment, furniture and fittings	5 - 17
Motor vehicles	10

Assets under construction in progress are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment and bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment and bearer plants are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of investment properties is computed on a straight line basis over the estimated useful life of the asset as follows:

	Number of years
Leasehold lands	892
Buildings	50

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use or no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2. Summary of significant accounting policies (cont'd)

2.9 Investment properties (cont'd)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.8 up to the date of change in use.

2.10 Biological assets

The biological assets of the Group comprises fresh fruit bunches ("FFB") prior to harvest. Biological assets are classified as current assets for bearer plants that are expected to be harvested and sold or used for production on a date not more than 14 days after the reporting date.

Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity investment of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do no contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's and the Company's financial assets are its financial assets at amortised cost (debt instruments) and at fair value through profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments - initial recognition and subsequent measurement (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

- ***Financial assets at amortised cost (debt instruments)***

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost comprise trade and other receivables balances and cash and bank balances.

- ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category comprises the Group's and the Company's derivative instruments and short term funds. The Group and the Company use derivative financial instruments such as futures contracts to hedge its commodity price risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Dividends are recognised as other income in the statements of comprehensive income when the right of payment has been established. Interests are recognised as finance income in the statements of comprehensive income when the right of payment has been established.

Short term funds are investments in unit trust funds carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments - initial recognition and subsequent measurement (cont'd)

(a) Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments - initial recognition and subsequent measurement (cont'd)

(a) Financial assets (cont'd)

Impairment of financial assets (cont'd)

For other receivables, the Group and the Company apply low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the other receivables are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In addition, the Group and the Company consider that there has been a significant increase in credit risk when the contractual payments are more than 6 months past due.

The Group and the Company consider a financial asset in default when contractual payments are 12 months past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The Group's and the Company's financial liabilities comprise trade and other payables, derivatives instruments and loans and borrowings.

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

  Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

  This category comprises the Group's and the Company's derivative instruments which are not designated as hedging instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments - initial recognition and subsequent measurement (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement (cont'd)

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

  The financial liabilities of the Group and of the Company measured at amortised cost include trade and other payables and loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13 Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and of the Company's cash management.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials, consumables and spare parts: purchase costs on a first-in first-out basis.

- Nursery stocks: includes cost of seedlings, labour, materials and attributable overheads in bringing the nursery stocks to their present location and condition.

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of production overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2. Summary of significant accounting policies (cont'd)

2.15 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

The Group does not identify segments by geographical location as it operates only in Malaysia.

The accounting policies adopted in segment reporting are identical to the accounting policies of the Group.

2.17 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.18 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group and of the Company.

2.19 Revenue recognition

Revenue is measured based on the consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer. Revenue is recognised when the Group and the Company satisfy a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2. Summary of significant accounting policies (cont'd)

2.19 Revenue recognition (cont'd)

(a) Sale of goods

The Group and the Company contract with its customers for sales of oil palm products and supply of electricity. Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Payment is generally due within 30 to 90 days upon delivery. Revenue is recognised at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods.

(b) Interest income

Interest is recognised on an accrual basis using the effective interest method.

(c) Management fees

Management fee income is recognised on the accrual basis.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(e) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.21 Taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (cont'd)

2.21 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unutilised tax allowances and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unutilised tax allowances and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and Services Tax ("SST")

Revenue are recognised net of the amount of SST.

The amount of SST incurred in a purchase of assets or services is not recoverable from the taxation authority and is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The amount of SST payable to the taxation authority is included as part of payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

2. Summary of significant accounting policies (cont'd)

2.22 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all the attached conclusion will be complied with. When the grant relates to an expense item, it is recognised as income on as systematic basis over the periods that related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as deduction in calculating the carrying amount of the asset. The grant is recognised in profit and loss over the life of a depreciable asset as a reduced depreciation expense.

2.23 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.24 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.25 Leases

(i) As lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received; and
- any initial direct costs incurred by the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.25 Leases (cont'd)

(i) As lessee (cont'd)

Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities.

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets as follows:

	Number of years
Leasehold land	30 - 770

If the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the Group and the Company depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group and the Company depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's and the Company's incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense over the lease term.

(ii) As lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.19(e).

2.26 Hedge accounting

The Group and the Company use derivatives to manage its exposure to commodity price risk. These derivatives comprise commodity swap and futures contracts. The Group and the Company apply hedge accounting for those commodity swap and futures contracts which qualify for hedge accounting.

For the purpose of hedge accounting, hedging relationships are classified as cash flow hedges as the Group and the Company are hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

2. Summary of significant accounting policies (cont'd)

2.26 Hedge accounting (cont'd)

At the inception of a hedge relationship, the Group and the Company formally designate and document the hedge relationship to which the Group and the Company wish to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as a cash flow hedge.

Under a cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into hedge reserve, while any ineffective portion is recognised immediately in profit or loss as other expenses.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.

2.27 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Summary of significant accounting policies (cont'd)

2.27 Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.28 Current versus non-current classification

Assets and liabilities in the statements of financial position are presented based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of property, plant and equipment and bearer plants

MFRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment and bearer plants at least at each financial year end. The Group and the Company reviewed the residual values and remaining useful lives of its property, plant and equipment and bearer plants and found that no revisions to the residual values and remaining useful lives of these assets were necessary.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unutilised tax allowances to the extent that it is probable that taxable profit will be available against which the losses and allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences. Further details of the recognised and unrecognised deferred tax assets are disclosed in Note 27.

(iii) Impairment of non-financial assets

The Group and the Company assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

<u>Property, plant and equipment, right-of-use assets and bearer plants</u>

The carrying amount of property, plant and equipment, right-of-use assets and bearer plants of the Group as at 31 January 2022 was RM735,428,807 (2021: RM634,655,966). The Group has recognised impairment losses in respect of property, plant and equipment and bearer plants of certain subsidiaries and the accumulated impairment loss amounted to RM9,164,457 (2021: RM9,210,167). In current financial year, the Group carried out the impairment test using the cash generating unit's ("CGU") fair value less cost to sell and value in-use based on discounted cashflow forecast of certain subsidiaries which have indicators of impairment. There was no further impairment loss required based on the impairment test. Further details of the impairment loss provided for a subsidiary is disclosed in Note 13 and Note 15.

3. Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(iii) Impairment of non-financial assets (cont'd)

Investment in subsidiaries

The carrying amount of investment in subsidiaries of the Company as at 31 January 2022 was RM46,669,211 (2021: RM46,669,211). The Company has recognised impairment losses in respect of cost of investment of certain subsidiaries and the accumulated impairment loss amounted to RM6,079,086 (2021: RM6,079,086) in prior year. In current financial year, the Company carried out the impairment test based on the cash generating unit's ("CGU") fair value less cost to sell for those subsidiaries which have indicators of impairment and noted no further impairment is required for investment in subsidiaries. Further details of the impairment loss for the investment in subsidiaries are disclosed in Note 17.

4. Revenue

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Revenue from contracts with customers:				
Fresh fruit bunches	39,211,263	26,369,072	41,791,371	23,376,136
Palm oil milling products	1,658,304,029	940,180,748	-	-
Supply of electricity	5,200,771	5,127,618	-	-
	1,702,716,063	971,677,438	41,791,371	23,376,136
Timing of revenue recognition				
Goods transferred at a point in time	1,702,716,063	971,677,438	41,791,371	23,376,136

5. Cost of sales

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Sale of goods	1,435,535,617	796,887,132	13,756,404	11,358,080

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

6. Other items of income

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest income	5,448,666	8,481,935	7,780,971	10,505,798
Rental income	296,525	189,728	140,820	50,400
Proceeds from insurance claim	1,897,632	7,621,468	-	-
Sundry income	1,223,275	1,171,966	114,894	136,931
Commission received	-	-	1,931,471	1,349,829
Management fee income	188,280	188,280	7,504,479	6,810,671
Gain on disposal of property, plant and equipment	93,881	1,646	37,646	1,605
Gain on fair value change in biological assets	2,662,000	53,000	463,000	-
Fair value gain on derivatives	-	866,114	-	762,727
Gain on foreign exchange - realised	-	127,464	-	127,464
Gains on fair value changes in short term funds	1,111,017	704,235	670,137	712,896
Dividend income from subsidiaries	-	-	57,060,000	56,110,000
	12,921,276	19,405,836	75,703,418	76,568,321

7. Finance costs

	Group	
	2022 RM	2021 RM
Interest expense on bank borrowings	1,939,026	1,008,453

8. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration				
- Statutory audit	385,000	315,000	65,000	63,000
- Other services	6,000	6,000	6,000	6,000
Employee benefit expenses (Note 9)	63,982,445	61,722,585	17,168,429	16,114,689
Depreciation of:				
- property, plant and equipment (Note 13)	22,657,077	22,639,661	778,298	747,675
- right-of-use assets (Note 14)	4,601,327	3,903,831	2,304,905	2,111,593
- bearer plants (Note 15)	8,554,431	6,741,573	1,392,902	1,230,862
- investment properties (Note 16)	66,218	66,218	66,218	66,218
Write off of:				
- property, plant and equipment	294,851	150,176	7,375	2,597
- bearer plants	284,198	877,964	-	7
- bad debts	15,307	79,817	1,937	56,614
- inventories	-	500	-	-

8. Profit before tax (cont'd)

The following items have been included in arriving at profit before tax: (cont'd)

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Write down of inventories (Note 18)	338,768	499,907	-	-
Write back of inventories (Note 18)	(9,013)	-	-	-
Allowance for impairment losses on:				
- property, plant and equipment (Note 13)	-	1,600,000	-	-
- other receivables (Note 20)	1,257,696	-	951,000	1,104,000
Fair value losses/(gains) on derivatives				
- realised (Note 21)	13,071,301	(866,114)	13,071,301	(762,727)
- unrealised (Note 21)	1,482,764	-	1,482,764	-
Rental of premises	281,924	296,124	193,724	193,724
Gain on disposal of property, plant and equipment	(93,881)	(1,646)	(37,646)	(1,605)
Loss on disposal of property, plant and equipment	82,435	9,838	-	-
(Gain)/loss on fair value changes in biological assets (Note 19)	(2,662,000)	(53,000)	(463,000)	36,000
Gain on foreign exchange				
- realised	-	(127,464)	-	(127,464)
Rental income	(296,525)	(189,728)	(140,820)	(50,400)
Gross dividend income from:				
- subsidiaries	-	-	(57,060,000)	(56,110,000)
Interest income from:				
- deposits/short term funds	(5,388,731)	(6,706,058)	(1,447,390)	(1,939,179)
- subsidiaries	-	-	(6,273,646)	(6,790,742)
- others	(59,935)	(1,775,877)	(59,935)	(1,775,877)

9. Employee benefit expenses

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Salaries, wages and bonuses	60,011,025	58,030,585	15,282,842	14,655,994
Defined contribution plan	6,101,368	5,598,887	2,206,923	2,041,974
Social security costs	579,677	572,032	70,977	75,548
Human Resources Development ("HRD") fund	113,954	53,639	5,712	-
Provision for unutilised leave (Note 25(c))	71,271	118,864	71,271	118,864
Total employee benefit expenses	66,877,295	64,374,007	17,637,725	16,892,380
Amount capitalised in bearer plants (Note 15)	(2,894,850)	(2,651,422)	(469,296)	(777,691)
Total employee benefit expenses recognised in profit or loss	63,982,445	61,722,585	17,168,429	16,114,689

Included in employee benefit expenses of the Group and of the Company are Executive Directors' remuneration amounting to RM9,035,127 (2021: RM8,471,547) and RM5,510,171 (2021: RM5,205,291) respectively as further disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

10. Directors' remuneration

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company				
Executive:				
Fees	348,000	322,000	-	-
Salaries and other emoluments	7,293,500	6,838,000	4,630,000	4,373,000
Defined contribution plan	1,379,400	1,297,320	877,800	829,920
Social security costs	14,227	14,227	2,371	2,371
	9,035,127	8,471,547	5,510,171	5,205,291
Estimated monetary value of benefits-in-kind	59,493	61,508	57,759	57,857
	9,094,620	8,533,055	5,567,930	5,263,148
Non-Executive:				
Fees	288,000	288,000	288,000	288,000
Other emoluments	7,500	4,500	7,500	4,500
	295,500	292,500	295,500	292,500
	9,390,120	8,825,555	5,863,430	5,555,648

11. Taxation

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income tax:				
- Current year	44,427,365	28,234,231	4,297,000	2,716,000
- (Over)/underprovision in prior year	(1,364,320)	1,534,581	40,766	18,483
	43,063,045	29,768,812	4,337,766	2,734,483
Deferred tax (Note 27):				
- Relating to origination and reversal of temporary differences	(104,095)	4,165,408	(1,159,639)	704,464
- Overprovision of deferred tax assets in prior year	74,000	119,000	-	-
- Under/(over) provision of deferred tax liabilities in prior year	256,000	(123,000)	(8,000)	(30,000)
	225,905	4,161,408	(1,167,639)	674,464
Tax expense for the year	43,288,950	33,930,220	3,170,127	3,408,947

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

11. Taxation (cont'd)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense of the Group and of the Company is as follows:

Group	2022 RM	2021 RM
Profit before tax	210,330,790	144,551,493
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	50,479,390	34,692,358
Tax effects of:		
- Expenses not deductible for tax purposes	2,141,819	1,540,411
- Income not subject to tax	(631,535)	(2,313,471)
- Deferred tax assets not recognised during the year on deductible temporary differences	261,284	410,612
- Double deductions	(69,068)	(41,066)
- Reinvestment allowances	(1,121,575)	(598,205)
- Utilisation of investment tax allowances brought forward	(552,066)	(188,000)
- Deferred tax assets recognised on previously unrecognised:		
- investment tax allowances	(329,000)	(1,255,000)
- unused tax losses	(5,932,000)	-
- Unused business losses and unabsorbed capital allowances, where deferred tax assets previously recognised, now derecognised	76,021	152,000
(Over)/underprovision of income tax expense in prior year	(1,364,320)	1,534,581
Overprovision of deferred tax assets in prior year	74,000	119,000
Under/(over) provision of deferred tax liabilities in prior year	256,000	(123,000)
Tax expense for the year	43,288,950	33,930,220

Company	2022 RM	2021 RM
Profit before tax	69,620,610	70,747,016
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	16,708,946	16,979,284
Tax effects of:		
- Expenses not deductible for tax purposes	441,839	409,941
- Income not subject to tax	(14,013,424)	(13,968,761)
Underprovision of income tax expense in prior year	40,766	18,483
Overprovision of deferred tax liabilities in prior year	(8,000)	(30,000)
Tax expense for the year	3,170,127	3,408,947

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

12. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit net of tax for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

	Group	
	2022	**2021**
Profit net of tax attributable to owners of the Company (RM)	136,579,834	94,891,349
Weighted average number of ordinary shares in issue	947,227,483	933,607,470
Basic earnings per share (sen)	14.42	10.16

(b) Diluted

Diluted earnings per share is calculated by dividing profit net of tax for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of diluted earnings per share for the years ended 31 January:

	Group	
	2022	**2021**
Profit net of tax attributable to owners of the Company (RM)	136,579,834	94,891,349
Weighted average number of ordinary shares in issue	947,227,483	933,607,470
Effect of dilution - Warrants	1,173,918	979,251
Adjusted weighted average number of ordinary shares in issue	948,401,401	934,586,721
Diluted earnings per share (sen)	14.40	10.15

13. Property, plant and equipment

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Construction in progress RM	Total RM
Cost							
At 1 February 2020	22,134,000	107,379,837	307,497,085	17,047,421	20,209,581	27,968,088	502,236,012
Additions	-	118,457	3,192,328	604,716	161,000	25,232,775	29,309,276
Transferred to investment properties (Note 16)	-	-	-	-	-	(5,942,642)	(5,942,642)
Disposals	-	-	(73,814)	(57,133)	-	-	(130,947)
Written off	-	(517,469)	(832,819)	(120,170)	(20,680)	-	(1,491,138)
Expensed off	-	-	-	-	-	(103,181)	(103,181)
Government grants (Note 28)	-	-	-	-	-	(2,400,000)	(2,400,000)
Reclassifications	-	588,215	10,187,704	49,467	(152,000)	(10,673,386)	-
At 31 January 2021 and 1 February 2021	22,134,000	107,569,040	319,970,484	17,524,301	20,197,901	34,081,654	521,477,380
Additions	-	724,980	3,037,829	619,168	2,958,151	26,391,962	33,732,090
Disposals	-	-	(588,000)	(9,671)	(777,870)	(7,378)	(1,382,919)
Written off	-	(375,818)	(391,347)	(378,688)	-	-	(1,145,853)
Reclassifications	-	1,770,761	13,158,220	5,892	-	(14,934,873)	-
At 31 January 2022	22,134,000	109,688,963	335,187,186	17,761,002	22,378,182	45,531,365	552,680,698
Accumulated depreciation							
At 1 February 2020	-	45,075,261	170,225,427	10,568,085	9,124,276	-	234,993,049
Charge for the year	-	4,694,463	16,546,016	859,353	1,290,626	-	23,390,458
Disposals	-	-	(66,302)	(37,495)	-	-	(103,797)
Written off	-	(460,122)	(758,976)	(101,184)	(20,680)	-	(1,340,962)
Reclassifications	-	-	(15,738)	-	15,738	-	-
At 31 January 2021 and 1 February 2021	-	49,309,602	185,930,427	11,288,759	10,409,960	-	256,938,748
Charge for the year	-	4,729,650	16,514,869	971,830	1,359,865	-	23,576,214
Disposals	-	-	(288,966)	(3,493)	(359,333)	-	(651,792)
Written off	-	(185,796)	(256,398)	(363,098)	-	-	(805,292)
At 31 January 2022	-	53,853,456	201,899,932	11,893,998	11,410,492	-	279,057,878

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

13. Property, plant and equipment (cont'd)

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Construction in progress RM	Total RM
Accumulated impairment losses							
At 1 February 2020	-	-	7,013,579	110,579	-	-	7,124,158
Impairment loss for the year (Note 8)	-	-	1,600,000	-	-	-	1,600,000
At 31 January 2021 and 1 February 2021	-	-	8,613,579	110,579	-	-	8,724,158
Written off	-	-	(45,710)	-	-	-	(45,710)
At 31 January 2022	-	-	8,567,869	110,579	-	-	8,678,448
Net carrying amount							
At 31 January 2021	22,134,000	58,259,438	125,426,478	6,124,963	9,787,941	34,081,654	255,814,474
At 31 January 2022	22,134,000	55,835,507	124,719,385	5,756,425	10,967,690	45,531,365	264,944,372

During the previous financial year, an impairment loss of RM1,600,000 was provided on the property, plant and equipment of a subsidiary which involves in processing of oil palm fibre, using value in use ("VIU") method. The VIU calculation was based on discounted cash flow model for a cash-flow forecast for the next 10 years and discount rate of 9.70%.

13. Property, plant and equipment (cont'd)

Company	Buildings RM	Plant and machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Construction in progress RM	Total RM
Cost						
At 1 February 2020	12,134,632	4,428,354	2,539,123	3,296,652	6,095,290	28,494,051
Additions	-	8,925	43,687	-	-	52,612
Transferred to investment properties (Note 16)	-	-	-	-	(5,942,642)	(5,942,642)
Disposals	-	-	(36,488)	-	-	(36,488)
Written off	-	(1,890)	(9,132)	-	-	(11,022)
Expensed off	-	-	-	-	(103,181)	(103,181)
Reclassifications	-	-	49,467	-	(49,467)	-
At 31 January 2021 and 1 February 2021	12,134,632	4,435,389	2,586,657	3,296,652	-	22,453,330
Additions	-	104,725	108,923	414,291	125	628,064
Disposals	-	-	-	(182,308)	-	(182,308)
Written off	(38,096)	(65,674)	(22,114)	-	-	(125,884)
At 31 January 2022	12,096,536	4,474,440	2,673,466	3,528,635	125	22,773,202
Accumulated depreciation						
At 1 February 2020	2,843,092	2,972,763	1,961,361	1,453,271	-	9,230,487
Charge for the year	239,977	258,696	181,293	215,860	-	895,826
Disposals	-	-	(21,893)	-	-	(21,893)
Written off	-	(1,889)	(6,536)	-	-	(8,425)
At 31 January 2021 and 1 February 2021	3,083,069	3,229,570	2,114,225	1,669,131	-	10,095,995
Charge for the year	238,766	250,931	171,552	228,091	-	889,340
Disposals	-	-	-	(143,954)	-	(143,954)
Written off	(32,856)	(65,133)	(20,520)	-	-	(118,509)
At 31 January 2022	3,288,979	3,415,368	2,265,257	1,753,268	-	10,722,872
Net carrying amount						
At 31 January 2021	9,051,563	1,205,819	472,432	1,627,521	-	12,357,335
At 31 January 2022	8,807,557	1,059,072	408,209	1,775,367	125	12,050,330

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

13. Property, plant and equipment (cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation charge for the year:				
Amount capitalised in bearer plants (Note 15)	919,137	750,797	111,042	148,151
Amount recognised in profit or loss (Note 8)	22,657,077	22,639,661	778,298	747,675
	23,576,214	23,390,458	889,340	895,826

14. Right-of-use assets

The right-of-use assets comprise solely leasehold land.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cost				
At beginning of the financial year	329,485,687	329,485,687	185,912,467	185,912,467
Additions	55,662,514	-	-	-
At end of the financial year	385,148,201	329,485,687	185,912,467	185,912,467
Accumulated depreciation				
At beginning of the financial year	42,110,727	37,191,201	11,668,329	8,750,979
Depreciation charge for the year	5,538,118	4,919,526	2,917,350	2,917,350
At end of the financial year	47,648,845	42,110,727	14,585,679	11,668,329
Net carrying amount				
At end of the financial year	337,499,356	287,374,960	171,326,788	174,244,138
Depreciation charge for the year:				
Amount capitalised in bearer plants (Note 15)	936,791	1,015,695	612,445	805,757
Amount recognised in profit or loss (Note 8)	4,601,327	3,903,831	2,304,905	2,111,593
	5,538,118	4,919,526	2,917,350	2,917,350

15. Bearer plants

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cost				
At beginning of the financial year	166,036,682	157,570,564	35,788,170	32,618,405
Additions	50,357,176	16,669,031	2,484,337	4,373,689
Written off	(3,651,182)	(8,202,913)	-	(1,203,924)
At end of the financial year	212,742,676	166,036,682	38,272,507	35,788,170
Accumulated depreciation				
At beginning of the financial year	74,084,141	74,667,517	5,539,479	5,512,534
Depreciation for the year (Note 8)	8,554,431	6,741,573	1,392,902	1,230,862
Written off	(3,366,984)	(7,324,949)	-	(1,203,917)
At end of the financial year	79,271,588	74,084,141	6,932,381	5,539,479
Accumulated impairment losses				
At beginning and end of the financial year	486,009	486,009	-	-
Net carrying amount				
At end of the financial year	132,985,079	91,466,532	31,340,126	30,248,691

Included in the additions to bearer plants during the financial year are:				
Depreciation of property, plant and equipment (Note 13)	919,137	750,797	111,042	148,151
Depreciation of right-of-use assets (Note 14)	936,791	1,015,695	612,445	805,757
Employee benefit expenses (Note 9)	2,894,850	2,651,422	469,296	777,691

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

16. Investment properties

Group and Company	Leasehold land RM	Buildings RM	Total RM
Cost			
At 1 February 2020	-	-	-
Transferred from property, plant and equipment (Note 13)	2,788,080	3,154,562	5,942,642
At 31 January 2021, 1 February 2021 and 31 January 2022	2,788,080	3,154,562	5,942,642
Accumulated depreciation			
At 1 February 2020	-	-	-
Depreciation for the year (Note 8)	3,126	63,092	66,218
At 31 January 2021 and 1 February 2021	3,126	63,092	66,218
Depreciation for the year (Note 8)	3,126	63,092	66,218
At 31 January 2022	6,252	126,184	132,436
Net carrying amount			
At 31 January 2021	2,784,954	3,091,470	5,876,424
At 31 January 2022	2,781,828	3,028,378	5,810,206

The fair value of investment properties as at 31 January 2022 of the Group and of the Company approximates the net carrying amount as the investment properties were only acquired in financial year 2020.

The fair value measurement of the Group's and of the Company's investment properties are categorised within Level 3 of the fair value hierarchy. There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

17. Investment in subsidiaries

	Company 2022 RM	Company 2021 RM
Unquoted shares, at cost	52,748,297	52,748,297
Less: Accumulated impairment losses	(6,079,086)	(6,079,086)
	46,669,211	46,669,211

17. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of effective ownership interest (%) 2022	2021
Held by the Company:				
Suhenson Estate Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Selokan Sdn. Bhd.	Malaysia	Dormant	100	100
Kim Loong - KPD Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	70	70
Tyeco Corporation Sdn. Bhd.	Malaysia	Dormant	100	100
Winsome Plantations Sdn. Bhd.	Malaysia	Investment holding	100	100
Kim Loong Sabah Mills Sdn. Bhd.	Malaysia	Processing and marketing of oil palm products	100	100
Kim Loong Power Sdn. Bhd.	Malaysia	Bio-gas and power generation activities	100	100
Okidville Plantations Sdn. Bhd.	Malaysia	Investment holding	95	95
Winsome Sarawak Plantations Sdn. Bhd.	Malaysia	Dormant	100	100
Palm Nutraceuticals Sdn. Bhd.	Malaysia	Manufacturing of health supplements and food ingredients	70	70
Kim Loong Technologies Sdn. Bhd.	Malaysia	Extracting residual oil from wet palm fibre and converting palm fibre into better quality fibre	100	100
Kim Loong Corporation Sdn. Bhd.	Malaysia	Investment holding	100	100
Okidville Holdings Sdn. Bhd.	Malaysia	Cultivation of oil palm and investment holding	100	100
Kim Loong Palm Oil Sdn. Bhd.	Malaysia	Trading of fresh fruit bunches and investment holding	100	100
Desa Kim Loong Palm Oil Sdn. Bhd.	Malaysia	Processing and marketing of oil palm products and investment holding	70	70
Winsome Yields Sdn. Bhd.	Malaysia	Investment holding	90	90
Okidville Jaya Sdn. Bhd.	Malaysia	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

17. Investment in subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of effective ownership interest (%) 2022	2021
Held by Kim Loong Corporation Sdn. Bhd.				
Winsome Pelita (Pantu) Sdn. Bhd.	Malaysia	Cultivation of oil palm	60	60
Kim Loong Carus Sdn. Bhd.	Malaysia	Dormant	100	100
Held by Okidville Holdings Sdn. Bhd.				
Desa Okidville Sdn. Bhd.	Malaysia	Cultivation of oil palm	51	51
Held by Desa Kim Loong Palm Oil Sdn. Bhd.				
Kim Loong Technologies (Sabah) Sdn. Bhd.	Malaysia	Extracting residual oil from wet palm fibre and converting palm fibre into better quality fibre	70	70
Desa Kim Loong Industries Sdn. Bhd.	Malaysia	Dormant	70	70
Held by Kim Loong Palm Oil Sdn. Bhd.				
Kim Loong Palm Oil Mills Sdn. Bhd.	Malaysia	Processing and marketing of oil palm products and investment holding	100	100
Held by Kim Loong Palm Oil Mills Sdn. Bhd.				
Sungkit Enterprise Sdn. Bhd.	Malaysia	Processing and trading of palm kernel products	100	100
Kim Loong Evergrow Sdn. Bhd.	Malaysia	Dormant	100	100
Kim Loong Biomass Sdn. Bhd.	Malaysia	Processing of oil palm fibre	75	75
Held by Winsome Yields Sdn. Bhd.				
Winsome Al-Yatama Sdn. Bhd.	Malaysia	Cultivation of oil palm	61	61

17. Investment in subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of effective ownership interest (%) 2022	2021
Held by Okidville Plantations Sdn. Bhd.				
Winsome Jaya Sdn. Bhd.	Malaysia	Cultivation of oil palm	67	67
Okidville Resources Sdn. Bhd.	Malaysia	Dormant	95	95
Held by Winsome Plantations Sdn. Bhd.				
Winsome Pelita (Kranggas) Sdn. Bhd.	Malaysia	Cultivation of oil palm	70	70

Summarised financial information of Okidville Holdings Sdn. Bhd. and its subsidiary ("OHSB"), Kim Loong - KPD Plantations Sdn. Bhd. ("KL-KPD"), Desa Kim Loong Palm Oil Sdn. Bhd. and its subsidiaries ("DKLPO") and Kim Loong Corporation Sdn. Bhd. and its subsidiaries ("KLC") which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised statements of comprehensive income

2022	OHSB RM	KL-KPD RM	DKLPO RM	KLC RM	Total RM
Revenue	68,749,243	32,122,692	575,515,688	37,028,453	713,416,076
Profit before tax	42,011,296	25,062,936	34,471,210	13,645,855	115,191,297
Profit net of tax	31,963,049	19,133,892	27,140,171	15,569,601	93,806,713
Other comprehensive loss	(2,791,670)	-	-	-	(2,791,670)
Total comprehensive income	29,171,379	19,133,892	27,140,171	15,569,601	91,015,043
Profit net of tax attributable to:					
- owners of the Company	23,888,110	13,393,724	18,998,120	9,925,767	66,205,721
- non-controlling interests	8,074,939	5,740,168	8,142,051	5,643,834	27,600,992
	31,963,049	19,133,892	27,140,171	15,569,601	93,806,713
Total comprehensive income attributable to:					
- owners of the Company	21,096,440	13,393,724	18,998,120	9,925,767	63,414,051
- non-controlling interests	8,074,939	5,740,168	8,142,051	5,643,834	27,600,992
	29,171,379	19,133,892	27,140,171	15,569,601	91,015,043

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

17. Investment in subsidiaries (cont'd)

Summarised financial information of Okidville Holdings Sdn. Bhd. and its subsidiary ("OHSB"), Kim Loong - KPD Plantations Sdn. Bhd. ("KL-KPD"), Desa Kim Loong Palm Oil Sdn. Bhd. and its subsidiaries ("DKLPO") and Kim Loong Corporation Sdn. Bhd. and its subsidiaries ("KLC") which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd)

(i) Summarised statements of comprehensive income (cont'd)

2021	OHSB RM	KL-KPD RM	DKLPO RM	KLC RM	Total RM
Revenue	63,953,096	22,415,848	308,949,789	22,011,641	417,330,374
Profit/(loss) before tax	36,882,224	15,058,477	21,372,844	(653,849)	72,659,696
Profit/(loss) net of tax, representing total comprehensive income/(loss)	28,103,533	11,533,348	18,287,385	(852,227)	57,072,039
Profit/(loss) net of tax, representing total comprehensive income/(loss) attributable to:					
- owners of the Company	21,707,424	8,073,343	12,801,170	(934,154)	41,647,783
- non-controlling interests	6,396,109	3,460,005	5,486,215	81,927	15,424,256
	28,103,533	11,533,348	18,287,385	(852,227)	57,072,039

(ii) Summarised statements of financial position

2022	OHSB RM	KL-KPD RM	DKLPO RM	KLC RM	Total RM
Non-current assets	101,374,155	34,979,874	65,711,006	51,842,131	253,907,166
Current assets	71,496,534	77,260,281	111,202,680	8,893,020	268,852,515
Total assets	172,870,689	112,240,155	176,913,686	60,735,151	522,759,681
Current liabilities	10,295,478	3,008,331	50,520,714	8,704,733	72,529,256
Non-current liabilities	15,162,413	8,278,760	7,201,274	82,158,000	112,800,447
Total liabilities	25,457,891	11,287,091	57,721,988	90,862,733	185,329,703
Net assets/(liabilities)	147,412,798	100,953,064	119,191,698	(30,127,582)	337,429,978
Equity attributable to:					
- owners of the Company	93,602,281	70,667,144	83,434,189	(18,765,681)	228,937,933
- non-controlling interests	53,810,517	30,285,920	35,757,509	(11,361,901)	108,492,045
	147,412,798	100,953,064	119,191,698	(30,127,582)	337,429,978

17. Investment in subsidiaries (cont'd)

Summarised financial information of Okidville Holdings Sdn. Bhd. and its subsidiary ("OHSB"), Kim Loong - KPD Plantations Sdn. Bhd. ("KL-KPD"), Desa Kim Loong Palm Oil Sdn. Bhd. and its subsidiaries ("DKLPO") and Kim Loong Corporation Sdn. Bhd. and its subsidiaries ("KLC") which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd)

(ii) Summarised statements of financial position (cont'd)

2021	**OHSB RM**	**KL-KPD RM**	**DKLPO RM**	**KLC RM**	**Total RM**
Non-current assets	95,809,407	34,951,442	65,009,991	52,062,803	247,833,643
Current assets	67,573,926	69,113,024	70,235,158	5,744,827	212,666,935
Total assets	163,383,333	104,064,466	135,245,149	57,807,630	460,500,578
Current liabilities	6,627,961	2,134,657	24,383,780	10,700,813	43,847,211
Non-current liabilities	14,233,953	8,110,637	6,809,842	91,220,000	120,374,432
Total liabilities	20,861,914	10,245,294	31,193,622	101,920,813	164,221,643
Net assets/(liabilities)	142,521,419	93,819,172	104,051,527	(44,113,183)	296,278,935
Equity attributable to:					
- owners of the Company	90,905,841	65,673,420	72,836,069	(28,691,448)	200,723,882
- non-controlling interests	51,615,578	28,145,752	31,215,458	(15,421,735)	95,555,053
	142,521,419	93,819,172	104,051,527	(44,113,183)	296,278,935

(iii) Summarised statements of cash flows

2022	**OHSB RM**	**KL-KPD RM**	**DKLPO RM**	**KLC RM**	**Total RM**
Net cash generated from operating activities	36,127,601	19,892,398	39,333,981	17,613,391	112,967,371
Net cash used in investing activities	(7,261,905)	(1,832,842)	(218,128)	(1,691,549)	(11,004,424)
Net cash used in financing activities	(24,280,000)	(12,000,000)	(12,000,000)	(12,116,000)	(60,396,000)
Net increase in cash and cash equivalents	4,585,696	6,059,556	27,115,853	3,805,842	41,566,947
Cash and cash equivalents at beginning of the year	28,059,887	37,133,737	32,425,096	48,330	97,667,050
Cash and cash equivalents at end of the year	32,645,583	43,193,293	59,540,949	3,854,172	139,233,997

17. Investment in subsidiaries (cont'd)

Summarised financial information of Okidville Holdings Sdn. Bhd. and its subsidiary ("OHSB"), Kim Loong - KPD Plantations Sdn. Bhd. ("KL-KPD"), Desa Kim Loong Palm Oil Sdn. Bhd. and its subsidiaries ("DKLPO") and Kim Loong Corporation Sdn. Bhd. and its subsidiaries ("KLC") which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd)

(iii) Summarised statements of cash flows (cont'd)

2021	OHSB RM	KL-KPD RM	DKLPO RM	KLC RM	Total RM
Net cash generated from operating activities	37,145,733	14,404,188	25,264,124	1,266,584	78,080,629
Net cash used in investing activities	(15,887,004)	(11,280,380)	(15,007,910)	(1,973,271)	(44,148,565)
Net cash (used in)/generated from financing activities	(21,340,000)	(6,000,000)	(10,000,000)	596,000	(36,744,000)
Net (decrease)/increase in cash and cash equivalents	(81,271)	(2,876,192)	256,214	(110,687)	(2,811,936)
Cash and cash equivalents at beginning of the year	28,141,158	40,009,929	32,168,882	159,017	100,478,986
Cash and cash equivalents at end of the year	28,059,887	37,133,737	32,425,096	48,330	97,667,050

(iv) Dividends paid to non-controlling interests

	OHSB RM	KL-KPD RM	DKLPO RM	KLC RM	Total RM
2022	5,880,000	3,600,000	3,600,000	816,000	13,896,000
2021	2,940,000	1,800,000	3,000,000	-	7,740,000

18. Inventories

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cost				
Raw materials	220,075	517,932	-	-
Finished goods	19,592,798	6,841,662	-	-
Building materials, supplies, spare parts and consumables	13,487,762	10,640,882	1,687,236	225,427
	33,300,635	18,000,476	1,687,236	225,427
Net realisable value				
Work-in-progress	-	142,155	-	-
Finished goods	121,031	2,321,193	-	-
	121,031	2,463,348	-	-
	33,421,666	20,463,824	1,687,236	225,427

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Recognised in profit or loss:				
Inventories recognised as cost of sales (Note 5)	1,435,535,617	796,887,132	13,756,404	11,358,080
Write-down to net realisable value (Note 8)	338,768	499,907	-	-
Write back of inventories value (Note 8)	(9,013)	-	-	-

19. Biological assets

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
At fair value				
Fresh fruit bunches				
At beginning of the financial year	3,181,000	3,128,000	420,000	456,000
Changes in fair value less costs to sell (Note 8)	2,662,000	53,000	463,000	(36,000)
At end of the financial year	5,843,000	3,181,000	883,000	420,000

The biological assets of the Group and of the Company comprise fresh fruit bunches ("FFB") prior to harvest. The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB. To arrive at the fair value, the management has considered the oil content of the unripe FFB on bearer plant of up to 14 days prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 80% of the ripe FFB, based on oil extraction rate and kernel extraction rate of the unripe FFB from the laboratory tests. Cost to sell include harvesting cost, transport and windfall profit levy.

During the financial year, the Group and the Company harvested approximately 265,000 MT (2021: 276,600 MT) and 50,500 MT (2021: 42,400 MT) of FFB respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

19. Biological assets (cont'd)

As at 31 January 2022, none of the biological assets are pledged as securities for liabilities.

The fair value measurement of the Group's biological assets are categorised within Level 3 of the fair value hierarchy. If the FFB selling price changes by 10%, fair value of the biological assets of the Group and of the Company would have equally increased or decreased by approximately RM681,000 (2021: RM356,000) and RM104,000 (2021: RM48,000) respectively.

The key assumptions used to determine the fair value are as follows:

	Group		Company	
	2022	2021	2022	2021
Oil palms				
FFB that are expected to be harvested (MT)	7,431	5,958	1,118	768
Average FFB selling price (RM/MT)	916	598	932	625

20. Trade and other receivables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current				
Trade receivables				
Third parties	53,120,843	36,094,355	-	261,172
Amount owing from subsidiary companies	-	-	3,517,642	1,778,319
Amount owing from related companies	15,690	45,723	15,690	15,690
	53,136,533	36,140,078	3,533,332	2,055,181
Other receivables				
Third parties	5,592,293	11,777,476	4,343,174	5,339,271
Refundable deposits	676,477	835,491	101,872	102,372
Amount owing from holding company	4,500	4,500	4,500	4,500
Amount owing from subsidiary companies	-	-	886,786	400,025
Amount owing from related companies	63,626	33,426	30,833	33,426
	6,336,896	12,650,893	5,367,165	5,879,594
Less: Allowance for impairment losses	(1,257,696)	-	-	-
	5,079,200	12,650,893	5,367,165	5,879,594
Total trade and other receivables (current)	58,215,733	48,790,971	8,900,497	7,934,775
Non-current				
Other receivables				
Amount owing from subsidiary companies	-	-	127,589,139	94,195,850
Less: Allowance for impairment losses	-	-	(1,157,519)	(1,310,519)
	-	-	126,431,620	92,885,331
Total trade and other receivables (current and non-current)	58,215,733	48,790,971	135,332,117	100,820,106

20. Trade and other receivables (cont'd)

(a) Trade receivables

The Group's normal trade credit terms are less than 60 days (2021: less than 60 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables is as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Neither past due nor impaired	53,136,533	36,140,078	3,533,332	2,055,181

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of these balances have been renegotiated during the financial year.

(b) Amount owing from subsidiary and related companies (trade)

These amounts are generally within 60 days terms (2021: within 60 days terms). They are recognised at their original invoice amounts which represent their fair values on initial recognition. These amounts are neither past due nor impaired.

(c) Amount owing from holding and related companies (non-trade)

These amounts are unsecured, non-interest bearing and repayable on demand.

(d) Amount owing from subsidiary companies (current and non-current non-trade)

Included in the amount owing from subsidiary companies is an amount of RM125,670,000 (2021: RM92,450,000) which is unsecured, bear interest of 3.51% - 6.40% per annum (2021: 3.51% - 6.40% per annum) and is not repayable within the next 12 months.

All other balances are unsecured, non-interest bearing and repayable on demand. As at the end of the financial year, the Company has provided an impairment allowance of RM1,157,519 (2021: RM1,310,519) on amount owing by certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

20. Trade and other receivables (cont'd)

(e) Other receivables that are impaired

Receivables that are impaired

The Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired		Company Individually impaired	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables-nominal amounts	1,257,696	-	5,333,840	4,887,840
Less: Allowance for impairment	(1,257,696)	-	(1,157,519)	(1,310,519)
	-	-	4,176,321	3,577,321

Movement in allowance accounts:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At beginning of the financial year	-	-	1,310,519	1,156,519
Written off	-	-	(1,104,000)	(950,000)
Additions (Note 8)	1,257,696	-	951,000	1,104,000
At end of the financial year	1,257,696	-	1,157,519	1,310,519

21. Derivatives

	2022		2021	
	Contract/ Notional Amount RM	Fair Value Liabilities RM	Contract/ Notional Amount RM	Fair Value Liabilities RM
Group				
Derivatives carried at fair value through profit or loss - Commodity swap	3,933,000	1,482,764	-	-
Derivatives that are designated effective hedging instruments carried at fair value through other comprehensive income - Commodity swap	31,826,500	6,752,000	-	-
	35,759,500	8,234,764	-	-

21. Derivatives (cont'd)

	2022		2021	
	Contract/ Notional Amount RM	Fair Value Liabilities RM	Contract/ Notional Amount RM	Fair Value Liabilities RM
Company				
Derivatives carried at fair value through profit or loss				
- Commodity swap	3,933,000	1,482,764	-	-
Derivatives that are designated effective hedging instruments carried at fair value through other comprehensive income				
- Commodity swap	13,514,400	1,847,250	-	-
	17,447,400	3,330,014	-	-

(i) Crude palm oil - commodity futures

One of the Group's principal activities is processing and marketing of oil palm products. The Group purchases FFB as raw material on an ongoing basis. Due to the volatility in CPO price, the Group entered into CPO - commodity futures contracts to hedge against the volatility of the purchase price of FFB for specific period in the previous financial year. The commodity futures contracts were designated as cash flow hedges and were entered into for periods consistent with fair value changes exposure. However, such derivatives did not qualify for hedge accounting. Changes in fair value of these instruments were recognised in the profit or loss.

(ii) Crude palm oil - commodity futures and swap

One of the Group's principal activities is cultivation of oil palm. The Group sells FFB produce on an ongoing basis. Due to the volatility in CPO price over the past 12 months, the Group and the Company entered into CPO - commodity futures and swap contracts to hedge against the volatility of the selling price of FFB for specific period. The commodity futures and swap contracts are designated as cash flow hedges and are entered into for periods consistent with fair value changes exposure. However, the Group adopts hedge accounting only for those derivatives which are qualified.

Changes in fair value of these instruments are recognised as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fair value losses/(gains) arising from:				
- Commodity futures	17,189,075	(866,114)	11,292,500	(762,727)
- Commodity swap	17,389,240	-	10,070,515	-
	34,578,315	(866,114)	21,363,015	(762,727)
Less: amount recognised as effective hedge	(20,024,250)	-	(6,808,950)	-
Amount recognised as other expenses/ (income) in profit or loss	14,554,065	(866,114)	14,554,065	(762,727)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

22. Short term funds

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At fair value through profit or loss				
Short term funds	102,277,269	105,868,400	28,530,107	27,250,763

Short term funds are investments in income trust funds in Malaysia.

The fair value measurement of the Group's and of the Company's short term funds are categorised within Level 1 of the fair value hierarchy.

23. Cash and bank balances

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash on hand and cash at banks	172,893,727	122,496,206	38,169,094	65,302,282
Time deposits with licensed banks	135,618,984	109,607,574	45,000,000	20,000,000
Cash and bank balances	308,512,711	232,103,780	83,169,094	85,302,282
Less: Bank overdraft (Note 26)	(388,922)	(1,238,086)	-	-
Less: Deposits pledged	(618,984)	(607,574)	-	-
Cash and cash equivalents	307,504,805	230,258,120	83,169,094	85,302,282

Arrangements have been made with certain licensed banks whereby certain bank balances can earn interest on a daily rest basis. As at the reporting date, bank balances of the Group and of the Company placed under such arrangements amounted to RM164,378,884 (2021: RM115,941,166) and RM37,172,036 (2021: RM64,742,946) respectively. The average interest rate as at the end of the financial year for such deposits was 1.42% (2021: 1.41%) per annum and 1.41% (2021: 1.41%) per annum for the Group and the Company respectively.

Included in deposits with licensed banks of the Group is an amount of RM618,984 (2021: RM607,574) pledged to a licensed bank as security for credit facilities granted to a subsidiary.

Deposits are normally made for varying periods of between 1 day to 3 months depending on the immediate cash requirements of the Group and of the Company, and earn interest at the respective short-term deposit rates. The average interest rates as at the end of the financial year are as follows:

	Group		Company	
	2022 % per annum	2021 % per annum	2022 % per annum	2021 % per annum
Time deposits with licensed banks	1.80	1.86	1.77	1.85

24. Changes in liabilities arising from financing activities

Group	At 1 February 2021 RM	Cash flows RM	At 31 January 2022 RM
Current			
Bank overdrafts	1,238,086	(849,164)	388,922
Revolving credit	7,500,000	(7,000,000)	500,000
Term loan 2	570,000	(570,000)	-
Term loan 3	2,380,000	3,332,000	5,712,000
Term loan 4	-	4,284,000	4,284,000
Non-current			
Term loan 3	37,620,000	(5,712,000)	31,908,000
Term loan 4	-	23,574,000	23,574,000
Total liabilities from financing activities	49,308,086	17,058,836	66,366,922

	At 1 February 2020 RM	Cash flows RM	At 31 January 2021 RM
Current			
Bank overdrafts	2,168,993	(930,907)	1,238,086
Revolving credit	7,500,000	-	7,500,000
Term loan 2	4,020,000	(3,450,000)	570,000
Term loan 3	-	2,380,000	2,380,000
Non-current			
Term loan 2	570,000	(570,000)	-
Term loan 3	-	37,620,000	37,620,000
Total liabilities from financing activities	14,258,993	35,049,093	49,308,086

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

25. Trade and other payables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current				
Trade payables				
Third parties	76,059,839	37,437,484	1,169,644	625,508
Amount owing to related companies	739,887	167,629	-	-
	76,799,726	37,605,113	1,169,644	625,508
Other payables				
Sundry payables	12,129,798	11,655,409	2,740,921	296,661
Other payables*	18,039,598	-	-	-
Deposits and payments received in advance	1,791,634	1,596,854	633,000	3,600
Provisions	610,417	539,146	610,417	539,146
Accruals	22,974,961	18,038,403	5,025,374	3,335,735
Amount owing to subsidiary companies	-	-	25,000	-
Amount owing to related company	-	43,962	-	-
	55,546,408	31,873,774	9,034,712	4,175,142
Total trade and other payables	132,346,134	69,478,887	10,204,356	4,800,650

* Other payables represent the balance purchase price due to vendors and provision of incidental costs for the purchase of lands as disclosed in Note 41.

(a) Trade payables

These amounts are non-interest bearing and normally settled on 60 days (2021: 60 days) terms.

(b) Amount owing to related companies (trade)

Credit terms granted by related companies are less than 60 days (2021: less than 60 days).

(c) Provisions

Group and Company	Unutilised annual leave RM
At 1 February 2020	420,282
Additions (Note 9)	118,864
At 31 January 2021 and 1 February 2021	539,146
Additions (Note 9)	71,271
At 31 January 2022	610,417

25. Trade and other payables (cont'd)

(c) Provisions (cont'd)

Provision for unutilised annual leave

Being employees' benefits accrued in respect of their unutilised annual leave entitlements.

(d) Amount owing to subsidiary companies and related company (non-trade)

These amounts were unsecured, interest free and were repayable on demand.

26. Loans and borrowings

	Group	
	2022 **RM**	**2021** **RM**
Current		
Secured:		
Bank overdrafts (Note 23)	388,922	1,238,086
Revolving credit	500,000	7,500,000
Term loan 2	-	570,000
Term loan 3	5,712,000	2,380,000
Term loan 4	4,284,000	-
	10,884,922	11,688,086
Non-current		
Secured:		
Term loan 3	31,908,000	37,620,000
Term loan 4	23,574,000	-
	55,482,000	37,620,000
	66,366,922	49,308,086

The remaining maturities of the loans and borrowings as at the reporting date are as follows:

	Group	
	2022 **RM**	**2021** **RM**
On demand or within one year	10,884,922	11,688,086
More than 1 year and less than 2 years	9,996,000	5,712,000
More than 2 years and less than 5 years	29,988,000	17,136,000
More than 5 years	15,498,000	14,772,000
	66,366,922	49,308,086

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

26. Loans and borrowings (cont'd)

The facilities extended by financial institutions are secured by:

(i) corporate guarantee from the Company and the details of the corporate guarantee is disclosed in Note 36(a); and

(ii) personal guarantee of RM960,000 from a shareholder of a subsidiary.

The term loan 2 is repayable over 59 equal monthly instalments of RM335,000 with a final instalment of RM235,000 commencing from April 2016. This term loan has been fully settled during the financial year.

The term loan 3 is repayable over 83 equal monthly instalments of RM476,000 each with a final instalment of RM492,000 commencing from September 2021.

During the financial year, the Group has drawn down the Term Loan 4 amounting to RM30,000,000. The term loan 4 is repayable over 83 equal monthly instalments of RM357,000 each with a final instalment of RM369,000 commencing from August 2021.

As at the reporting date, the loans and borrowings of the Group bear interest at the following rates:

	Group	
	2022 % per annum	**2021 % per annum**
Interest rates		
Overdrafts	BLR + 1% to 1.25%	BLR + 1% to 1.25%
Term loan 2	COF + 1%	COF + 1%
Term loan 3	COF + 1%	COF + 1%
Term loan 4	COF + 1%	N/A
Revolving credit	KLIBOR + 1.5% /COF + 1%	KLIBOR + 1.5% /COF + 1%

As at the end of the financial year, base lending rate ("BLR") ranges from 5.45% to 5.51% per annum (2021: 5.45% to 5.51% per annum), cost of fund ("COF") is 2.35% per annum (2021: 2.23% to 2.35% per annum) and Kuala Lumpur Interbank Offered Rate ("KLIBOR") is 2.03% per annum (2021: 1.94% per annum).

27. Deferred tax

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
At beginning of the financial year	86,669,574	82,508,166	45,282,036	44,607,572
Recognised in:				
- profit or loss (Note 11)	225,905	4,161,408	(1,167,639)	674,464
- equity (Note 30)	(1,620,480)	-	(443,340)	-
At end of the financial year	85,274,999	86,669,574	43,671,057	45,282,036
Presented after appropriate offsetting as follows:				
Deferred tax assets	(6,043,400)	(3,374,640)	-	-
Deferred tax liabilities	91,318,399	90,044,214	43,671,057	45,282,036
	85,274,999	86,669,574	43,671,057	45,282,036

27. Deferred tax (cont'd)

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows:

Group	At 1 February 2021 RM	Recognised in profit or loss (Note 11) RM	Recognised in equity (Note 30) RM	At 31 January 2022 RM
Deferred tax liabilities				
Subject to income tax rate:				
Bearer plants and property, plant and equipment	53,782,400	2,171,800	-	55,954,200
Accrued interest income	449,000	(415,000)	-	34,000
Biological assets	763,440	638,880	-	1,402,320
Revaluation of leasehold land	47,946,354	(807,912)	-	47,138,442
	102,941,194	1,587,768	-	104,528,962
Offsetting	(14,403,360)	1,262,737	(1,576,320)	(14,716,943)
	88,537,834	2,850,505	(1,576,320)	89,812,019
Subject to Real Property Gains Tax rate:				
Revaluation of freehold land	1,506,380	-	-	1,506,380
	90,044,214	2,850,505	(1,576,320)	91,318,399
Deferred tax assets				
Subject to income tax rate:				
Provisions	(129,000)	(17,000)	-	(146,000)
Derivatives liabilities	-	(355,863)	(1,620,480)	(1,976,343)
Unutilised reinvestment allowances	(1,621,000)	37,000	-	(1,584,000)
Unutilised investment tax allowances	(4,378,000)	859,000	-	(3,519,000)
Unabsorbed capital allowances	(8,682,000)	4,350,000	-	(4,332,000)
Unused tax losses	(1,752,000)	(5,932,000)	-	(7,684,000)
Unrealised profits	(1,216,000)	(303,000)	-	(1,519,000)
	(17,778,000)	(1,361,863)	(1,620,480)	(20,760,343)
Offsetting	14,403,360	(1,262,737)	1,576,320	14,716,943
	(3,374,640)	(2,624,600)	(44,160)	(6,043,400)
	86,669,574	225,905	(1,620,480)	85,274,999

27. Deferred tax (cont'd)

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows: (cont'd)

Group	At 1 February 2020 RM	Recognised in profit or loss (Note 11) RM	At 31 January 2021 RM
Deferred tax liabilities			
Subject to income tax rate:			
Bearer plants and property, plant and equipment	51,904,800	1,877,600	53,782,400
Accrued interest income	67,000	382,000	449,000
Biological assets	750,720	12,720	763,440
Revaluation of leasehold land	48,754,266	(807,912)	47,946,354
	101,476,786	1,464,408	102,941,194
Offsetting	(17,100,000)	2,696,640	(14,403,360)
	84,376,786	4,161,048	88,537,834
Subject to Real Property Gains Tax rate:			
Revaluation of freehold land	1,506,380	-	1,506,380
	85,883,166	4,161,048	90,044,214
Deferred tax assets			
Subject to income tax rate:			
Provisions	(101,000)	(28,000)	(129,000)
Unutilised reinvestment allowances	(2,367,000)	746,000	(1,621,000)
Unutilised investment tax allowances	(5,210,000)	832,000	(4,378,000)
Unabsorbed capital allowances	(9,477,000)	795,000	(8,682,000)
Unused tax losses	(1,904,000)	152,000	(1,752,000)
Unrealised profits	(1,416,000)	200,000	(1,216,000)
	(20,475,000)	2,697,000	(17,778,000)
Offsetting	17,100,000	(2,696,640)	14,403,360
	(3,375,000)	360	(3,374,640)
	82,508,166	4,161,408	86,669,574

27. Deferred tax (cont'd)

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows: (cont'd)

Company	At 1 February 2021 RM	Recognised in profit or loss (Note 11) RM	Recognised in equity (Note 30) RM	At 31 January 2022 RM
Deferred tax liabilities				
Subject to income tax rate:				
Bearer plants and property, plant and equipment	8,704,000	110,000	-	8,814,000
Accrued interest income	416,000	(411,000)	-	5,000
Biological assets	100,800	111,120	-	211,920
Revaluation of leasehold land	36,190,236	(604,896)	-	35,585,340
	45,411,036	(794,776)	-	44,616,260
Offsetting	(129,000)	(372,863)	(443,340)	(945,203)
	45,282,036	(1,167,639)	(443,340)	43,671,057
Deferred tax assets				
Subject to income tax rate:				
Provisions	(129,000)	(17,000)	-	(146,000)
Derivatives liabilities	-	(355,863)	(443,340)	(799,203)
	(129,000)	(372,863)	(443,340)	(945,203)
Offsetting	129,000	372,863	443,340	945,203
	-	-	-	-
	45,282,036	(1,167,639)	(443,340)	43,671,057

27. Deferred tax (cont'd)

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows: (cont'd)

Company	At 1 February 2020 RM	Recognised in profit or loss (Note 11) RM	At 31 January 2021 RM
Deferred tax liabilities			
Subject to income tax rate:			
Bearer plants and property, plant and equipment	7,803,000	901,000	8,704,000
Accrued interest income	1,000	415,000	416,000
Biological assets	109,440	(8,640)	100,800
Revaluation of leasehold land	36,795,132	(604,896)	36,190,236
	44,708,572	702,464	45,411,036
Offsetting	(101,000)	(28,000)	(129,000)
	44,607,572	674,464	45,282,036
Deferred tax assets			
Subject to income tax rate:			
Provisions	(101,000)	(28,000)	(129,000)
Offsetting	101,000	28,000	129,000
	-	-	-
	44,607,572	674,464	45,282,036

Deferred tax assets have not been recognised in respect of the following items:

	Group 2022 RM	2021 RM
Unused tax losses		
- expires on 31 January 2028 (2021: 31 January 2025)	20,510,000	43,214,000
- expires on 31 January 2029 (2021: 31 January 2026)	897,000	2,777,000
- expires on 31 January 2030 (2021: 31 January 2027)	721,000	721,000
- expires on 31 January 2031 (2021: 31 January 2028)	1,146,000	1,146,000
- expires on 31 January 2032	995,000	-
Unutilised reinvestment allowances		
- expires on 31 January 2025	4,307,000	4,307,000
Unutilised investment tax allowances	-	3,660,000
Unabsorbed capital allowances	6,594,000	6,132,000
Other temporary differences	9,161,000	9,074,000
	44,331,000	71,031,000
Deferred tax @ 24% (2021: 24%)	10,639,440	17,047,440

The unutilised capital allowances and other deductible temporary differences are available indefinitely for offsetting against future taxable profits of the respective subsidiaries in Malaysia subject to the provisions of Income Tax Act, 1967.

27. Deferred tax (cont'd)

Effective year of assessment 2019, the availability of unused tax losses for offsetting against future taxable profits of the Company is limited to a maximum period of 7 consecutive years of assessment. Any cumulated tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment i.e. 2019 to 2025. Under Finance Act 2021, there was amendment of section 44 to extend the 7 consecutive years of assessment to 10 years.

The unutilised reinvestment allowances can only be carried forward up to 7 consecutive years of assessment and will expire in year 2025.

28. Government grants

	Group	
	2022 RM	2021 RM
At beginning of the financial year	-	1,920,000
Recognised during the year	-	480,000
Transferred to reduce cost of property, plant and equipment (Note 13)	-	(2,400,000)
At end of the financial year	-	-
Disclosed under:		
Non-current liabilities	-	-

Pursuant to the Memorandum of Agreement dated 21 March 2018 (“Agreement”) entered into between Malaysian Palm Oil Board ("MPOB") and Kim Loong Palm Oil Mills Sdn Bhd (“KLPOM”), an indirect subsidiary of Kim Loong Resources Berhad ("KLRB"), MPOB agreed to provide a Grant up to RM2,400,000 to KLPOM for the implementation of the research project on reducing/eliminating 3-MCPDE in palm oil and its products. KLPOM received the remaining RM2,246,000 during the previous financial year and transferred the total grant of RM2,400,000 to reduce cost of asset upon successful achievement of production parameters set.

29. Share capital

	Number of ordinary shares		Amount	
	2022	2021	2022 RM	2021 RM
Issued and fully paid				
At beginning of the financial year	935,415,732	935,413,332	318,436,618	318,433,258
Issued during the financial year:				
- warrants exercised	31,805,588	2,400	44,527,824	3,360
- fair value of warrants exercised	-	-	6,339,855	-
At end of the financial year	967,221,320	935,415,732	369,304,297	318,436,618

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

29. Share capital (cont'd)

(a) Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Warrants

On 11 April 2018, the Company issued 46,680,235 free warrants pursuant to the bonus issue of warrants undertaken by the Company on the basis of 1 free warrant for every 20 ordinary shares held in the Company.

The warrants entitle the registered holder, at any time within a period of 7 years commencing on and including the date of issuance of the warrants and expiring on the close of business at 5.00 p.m. in Malaysia on the date immediately preceding the 7th anniversary of the date of issuance of the warrants, and if such date is not a market day, then on the preceding market day. In relation to this, the warrants were issued at an exercise price of RM1.40 each.

The warrants were listed on Bursa Malaysia Securities Berhad on 16 April 2018 ("Warrants 2018/2025").

During the financial year, 31,805,588 (2021: 2,400) new ordinary shares of RM1.40 each were issued pursuant to the exercise of Warrants 2018/2025 for the equivalent numbers by the registered holders and the fair value of the warrants exercised amounting to RM6.34 million had been transferred from retained earnings to share capital accordingly.

The number of Warrants 2018/2025 unexercised at the end of the financial year is 14,869,622 (2021: 46,675,210).

The Warrants 2018/2025 will expire on 10 April 2025.

(c) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company did not acquire any shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended.

The details of treasury shares are as follows:

	Number of shares RM	Amount RM	Average cost per share RM
At 1 February 2020, 31 January 2021 and 31 January 2022	1,806,000	1,625,853	0.90

30. Hedging reserve

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At beginning of the financial year	-	-	-	-
Recognised in other comprehensive income:				
Net movements on cash flow hedge	(6,752,000)	-	(1,847,250)	-
Tax relating to cash flow hedge (Note 27)	1,620,480	-	443,340	-
At end of the financial year	(5,131,520)	-	(1,403,910)	-

The hedging reserve which represents the cash flow hedge contains the effective portion of the cash flow hedge relationships incurred as at the reporting date.

31. Retained earnings

The Company may distribute dividends out of its retained earnings as at 31 January 2022 and 2021 under the single tier system.

32. Prepayments for acquisition of property, plant and equipment

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Prepayments for property, plant and equipment	3,439,347	4,301,565	-	-
Prepayments for oil palm plantation lands	-	21,728,654	-	21,728,654
	3,439,347	26,030,219	-	21,728,654

The prepayments for purchase of oil palm plantation lands in previous year was in respect of the acquisitions of lands as disclosed in Note 41.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

33. Related party disclosures

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions between the Group and related parties during the financial year:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
With subsidiaries:				
Management fee income	-	-	7,316,199	6,622,391
Commission income	-	-	1,931,471	1,349,829
Rental income	-	-	36,000	36,000
Interest income	-	-	6,273,646	6,790,742
Purchase of goods and services	-	-	-	1,651
Sale of goods	-	-	47,057,662	19,087,052
Sale of plant and equipment	-	-	50,000	-
Dividend income	-	-	57,060,000	56,110,000
With fellow subsidiaries of the holding company:				
Management fee income	188,280	188,280	188,280	188,280
Purchase of goods and services	19,771,936	10,888,677	-	-
Sale of goods and services	352,048	351,104	-	-

Related companies are fellow subsidiaries of the holding company, Sharikat Kim Loong Sendirian Berhad.

(b) Key management compensation

The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Short term employee benefits	12,159,360	11,081,334	8,029,216	7,337,707
Defined contribution plan	2,116,900	1,924,984	1,426,820	1,299,599
	14,276,260	13,006,318	9,456,036	8,637,306
Included in the total remuneration of key management personnel are remunerations of:				
- Executive Directors	9,094,620	8,533,055	5,567,930	5,263,148
- Non-executive Directors	295,500	292,500	295,500	292,500
	9,390,120	8,825,555	5,863,430	5,555,648

34. Commitments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(a) Capital expenditures:				
Approved and contracted for:				
- right-of-use assets, bearer plants and property, plant and equipment	20,339,000	101,263,000	-	74,585,000

(b) Rental commitments

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Future minimum rental payments:				
Not later than 1 year	180,316	283,231	104,716	209,431
Later than 1 year and not later than 5 years	201,600	273,916	-	104,716
Later than 5 years	474,000	222,000	-	-
	855,916	779,147	104,716	314,147

The Group and the Company have entered into non-cancellable operating leases contracted for lease of properties which are not accounted for in accordance with MFRS 16 as the financial impact to the financial statements is considered not material.

35. Segmental information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

(a) Plantation - cultivation of oil palm

(b) Milling - processing and marketing of oil palm products and power generation

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

35. Segmental information (cont'd)

(A) Business segment

	Plantation RM	Milling RM	Adjustments and eliminations RM	Total RM
31 January 2022				
Revenue and expenses				
Revenue				
External customers	38,922,088	1,663,793,975	-	1,702,716,063
Inter-segment	181,649,804	-	(181,649,804)	-
Total revenue	220,571,892	1,663,793,975	(181,649,804)	1,702,716,063
Results				
Segment results	120,325,582	96,120,020	(1,537,000)	214,908,602
Unallocated costs				(8,087,452)
Interest income				5,448,666
Finance costs				(1,939,026)
Profit before tax				210,330,790
Taxation				(43,288,950)
Profit net of tax				167,041,840
Assets and liabilities				
Segment assets	710,042,118	464,674,385	(37,373,866)	1,137,342,637
Unallocated assets				127,000,714
Total assets				1,264,343,351
Segment liabilities	139,408,571	183,820,211	(35,509,866)	287,718,916
Unallocated liabilities				57,199,450
Total liabilities				344,918,366
Other information				
Capital expenditure	110,982,457	28,769,323	-	139,751,780
Depreciation	19,207,894	18,527,087	-	37,734,981
Other non-cash expenses (Note A)	3,360,784	466,506	-	3,827,290

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

35. Segmental information (cont'd)

(A) Business segment (cont'd)

	Plantation RM	Milling RM	Adjustments and eliminations RM	Total RM
31 January 2021				
Revenue and expenses				
Revenue				
External customers	26,369,072	945,308,366	-	971,677,438
Inter-segment	116,773,540	-	(116,773,540)	-
Total revenue	143,142,612	945,308,366	(116,773,540)	971,677,438
Results				
Segment results	71,147,325	73,765,498	561,000	145,473,823
Unallocated costs				(8,395,812)
Interest income				8,481,935
Finance costs				(1,008,453)
Profit before tax				144,551,493
Taxation				(33,930,220)
Profit net of tax				110,621,273
Assets and liabilities				
Segment assets	618,531,763	374,447,681	(57,895,351)	935,084,093
Unallocated assets				151,395,573
Total assets				1,086,479,666
Segment liabilities	123,445,783	137,916,416	(57,199,351)	204,162,848
Unallocated liabilities				38,159,002
Total liabilities				242,321,850
Other information				
Capital expenditure	18,272,037	27,706,270	-	45,978,307
Depreciation	16,726,956	18,390,819	-	35,117,775
Impairment of assets	-	1,600,000	-	1,600,000
Other non-cash expenses (Note A)	1,147,969	589,097	-	1,737,066

35. Segmental information (cont'd)

(A) Business segment (cont'd)

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A. Other non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2022		2021	
	Plantation RM	Milling RM	Plantation RM	Milling RM
Bad debts (Note 8)	14,728	579	79,717	100
Allowance for impairment loss on receivables (Note 8)	1,257,696	-	-	-
Unrealised loss on derivatives (Note 8)	1,482,764	-	-	-
Property, plant and equipment written off (Note 8)	204,993	89,858	65,709	84,467
Bearer plants written off (Note 8)	284,198	-	877,964	-
Inventories written down (Note 8)	-	338,768	-	499,907
Provision for unutilised leave (Note 9)	71,271	-	118,864	-
Loss on disposal of property, plant and equipment (Note 8)	45,134	37,301	5,215	4,623
Inventories written off (Note 8)	-	-	500	-
	3,360,784	466,506	1,147,969	589,097

35. Segmental information (cont'd)

(A) Business segment (cont'd)

B. Breakdown of the inter-segments adjustments and eliminations:

2022	Plantation RM	Milling RM	Total RM
Segment assets	710,042,118	464,674,385	1,174,716,503
Inter-segments adjustments and eliminations:			
(a) Inventories	-	(2,454,000)	(2,454,000)
(b) Receivables	(35,503,654)	(6,212)	(35,509,866)
(c) Deferred tax assets	590,000	-	590,000
	(34,913,654)	(2,460,212)	(37,373,866)
	675,128,464	462,214,173	1,137,342,637
Segment liabilities	139,408,571	183,820,211	323,228,782
Inter-segments adjustments and eliminations:			
(a) Payables	(6,212)	(35,503,654)	(35,509,866)
	139,402,359	148,316,557	287,718,916
Segments results	120,325,582	96,120,020	216,445,602
Inter-segments adjustments and eliminations:			
(a) Unrealised profits	(1,537,000)	-	(1,537,000)
	118,788,582	96,120,020	214,908,602

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

35. Segmental information (cont'd)

(A) Business segment (cont'd)

B. Breakdown of the inter-segments adjustments and eliminations: (cont'd)

2021	Plantation RM	Milling RM	Total RM
Segment assets	618,531,763	374,447,681	992,979,444
Inter-segments adjustments and eliminations:			
(a) Inventories	-	(917,000)	(917,000)
(b) Receivables	(57,195,103)	(4,248)	(57,199,351)
(c) Deferred tax assets	221,000	-	221,000
	(56,974,103)	(921,248)	(57,895,351)
	561,557,660	373,526,433	935,084,093
Segment liabilities	123,445,783	137,916,416	261,362,199
Inter-segments adjustments and eliminations:			
(a) Payables	(4,248)	(57,195,103)	(57,199,351)
	123,441,535	80,721,313	204,162,848
Segments results	71,147,325	73,765,498	144,912,823
Inter-segments adjustments and eliminations:			
(a) Unrealised profits	561,000	-	561,000
	71,708,325	73,765,498	145,473,823

(B) Geographical segments

The Group does not identify segments by geographical location as it operates only in Malaysia.

Therefore, the Group's revenue from external customers by geographical location of customers are solely derived from Malaysia.

The Group's capital expenditure and segment assets are incurred and located in Malaysia.

(C) Major customers

Revenue from milling segment of approximately RM1,131,000,000 (2021: RM693,000,000) are derived from 3 (2021: 3) major customers in Malaysia.

36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and commodity price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that derivatives may be undertaken for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade receivables. The Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risk is controlled by careful selection of customers and setting of appropriate credit limits. The Group does not have any significant exposure to any individual customer.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 20.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position and a nominal amount of RM88,968,000 (2021: RM64,060,000) relating to corporate guarantees provided by the Company to its subsidiaries for credit facilities obtained from licensed financial institutions. The Company has assessed the corporate guarantee contracts and concluded that the guarantees are not likely to be called upon by the respective counterparties and accordingly did not recognise the guarantees as financial liabilities as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group's and the Company's concentration of credit risk arises from two segments and the credit risk concentration profile of the Group's and of the Company's trade receivables at the reporting date are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Plantation	-	-	2,882,376	1,548,950
Milling	32,168,757	22,549,591	-	-

At the reporting date, approximately 61% (2021: 62%) and 82% (2021: 75%) of the Group's and of the Company's trade receivables respectively are due from 3 (2021: 3) and 1 (2021: 2) major customers.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks, short term funds and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from the financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, assets held by the Group and the Company for managing liquidity risk included short term funds, cash and short term deposits and borrowings as disclosed in Notes 22, 23 and 26.

36. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

2022	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
Financial liabilities				
Trade and other payables	132,346,134	-	-	132,346,134
Loans and borrowings	12,923,692	44,794,595	15,920,657	73,638,944
Total undiscounted financial liabilities	145,269,826	44,794,595	15,920,657	205,985,078
Company				
Financial liabilities				
Trade and other payables	10,204,356	-	-	10,204,356
2021				
Group				
Financial liabilities				
Trade and other payables	69,478,887	-	-	69,478,887
Loans and borrowings	13,015,234	26,389,675	15,430,796	54,835,705
Total undiscounted financial liabilities	82,494,121	26,389,675	15,430,796	124,314,592
Company				
Financial liabilities				
Trade and other payables	4,800,650	-	-	4,800,650

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

36. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from a combination of fixed and floating rate borrowings and cash and cash equivalents. To manage this mix in a cost-efficient manner, the Group may enter into interest rate swaps to manage certain floating rate borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM700,000 (2021: RM600,000) higher/lower, arising mainly as a result of higher/lower interest income from cash and cash equivalents, offset by higher/lower interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in commodity prices.

Due to the volatility in CPO price over the past 12 months, the Group entered into CPO - commodity futures and swap contracts to hedge against the volatility of the selling price of FFB for specific period. Changes in the spot and forward prices of CPO will cause corresponding changes in the fair values of the commodity futures contracts.

Determination of fair value

Fair value of the commodity futures and swap contracts is determined by reference to the difference between the contracted rate and the price quoted at the reporting date for contracts with similar maturity profiles.

(e) Fair value hierarchy

As at the financial year end, the Group and the Company held the following assets and liabilities measured at fair value:

Group	**31 January 2022 RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**
Assets/(liabilities) measured at fair value through profit or loss				
Investment properties	5,810,206	-	-	5,810,206
Biological assets	5,843,000	-	-	5,843,000
Short term funds	102,277,269	102,277,269	-	-
Derivatives	(1,482,764)	-	(1,482,764)	-
Liability measured at fair value through other comprehensive income				
Derivatives	(6,752,000)	-	(6,752,000)	-

36. Financial risk management objectives and policies (cont'd)

(e) Fair value hierarchy (cont'd)

Group	31 January 2021 RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets measured at fair value through profit or loss				
Investment properties	5,876,424	-	-	5,876,424
Biological assets	3,181,000	-	-	3,181,000
Short term funds	105,868,400	105,868,400	-	-

Company	31 January 2022 RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets/(liabilities) measured at fair value through profit or loss				
Investment properties	5,810,206	-	-	5,810,206
Biological assets	883,000	-	-	883,000
Short term funds	28,530,107	28,530,107	-	-
Derivatives	(1,482,764)	-	(1,482,764)	-
Liability measured at fair value through other comprehensive income				
Derivatives	(1,847,250)	-	(1,847,250)	-

	31 January 2021 RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets measured at fair value through profit or loss				
Investment properties	5,876,424	-	-	5,876,424
Biological assets	420,000	-	-	420,000
Short term funds	27,250,763	27,250,763	-	-

There were no transfers between the various categories in the hierarchy of fair value measurement during the reporting periods ended 31 January 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

37. Fair value of financial instruments

(i) Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Carrying amount		Fair value	
	2022	2021	2022	2021
	RM	RM	RM	RM
Company				
Financial assets:				
Other receivables (non-current) (Note 20) - Amount owing from subsidiary companies	126,431,620	92,885,331	*	*

* The amount owing from subsidiaries which have no fixed terms of repayment are repayable only when the cash flows of the borrowers permit. Accordingly, the fair values of these balances are not determinable as the timing of the future cash flows arising from the balances cannot be estimated reliably.

(ii) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	20
Trade and other payables (current)	25

The carrying amounts of these financial assets and liabilities are reasonable approximation of their fair values due to their relatively short maturity periods.

(iii) Loans and borrowings

The fair values of borrowings are estimated by discounting expected future cash flows at the market incremental lending rate for similar types of borrowings at the reporting date.

There is no significant difference between the interest rate on the Group's fixed rate borrowings and the market interest rate for similar types of borrowings at the reporting date. Therefore, the carrying amounts of the non-current portion of borrowings are reasonable approximation of fair value.

The carrying amounts of the current portion of borrowings are reasonable approximation of fair value due to the insignificant impact of discounting.

(iv) Derivatives

Fair value of commodity futures/swap contract is calculated by reference to forward rates or prices quoted at the reporting date for contracts with similar maturity profiles.

(v) Short term funds

The short term funds are valued at market prices quoted at the reporting date.

38. Financial instruments

The financial instruments of the Group and of the Company are categorised into the following classes:

	Note	2022 RM	2021 RM
Group			
(a) Debt instruments carried at amortised cost			
Trade and other receivables	20	58,215,733	48,790,971
Cash and bank balances	23	308,512,711	232,103,780
		366,728,444	280,894,751
(b) Financial assets measured at fair value through profit or loss			
Short term funds	22	102,277,269	105,868,400
(c) Financial liabilities carried at amortised cost			
Trade and other payables	25	132,346,134	69,478,887
Loans and borrowings	26	66,366,922	49,308,086
		198,713,056	118,786,973
(d) Financial liabilities carried at fair value through profit or loss			
Derivatives	21	1,482,764	-
(e) Financial liabilities designated as effective hedging instruments carried at fair value through other comprehensive income			
Derivatives	21	6,752,000	-

38. Financial instruments (cont'd)

The financial instruments of the Group and of the Company are categorised into the following classes: (cont'd)

	Note	2022 RM	2021 RM
Company			
(a) Debt instruments carried at amortised cost			
Trade and other receivables	20	135,332,117	100,820,106
Cash and bank balances	23	83,169,094	85,302,282
		218,501,211	186,122,388
(b) Financial assets measured atfair value through profit or loss			
Short term funds	22	28,530,107	27,250,763
(c) Financial liabilities carried at amortised cost			
Trade and other payables	25	10,204,356	4,800,650
(d) Financial liabilities carried at fair value through profit or loss			
Derivatives	21	1,482,764	-
(e) Financial liabilities designated as effective hedging instruments carried at fair value through other comprehensive income			
Derivatives	21	1,847,250	-

39. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 January 2022 and 31 January 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less short term funds and cash and bank balances, excluding discontinued operations.

		Group	
	Note	**2022 RM**	**2021 RM**
Loans and borrowings	26	66,366,922	49,308,086
Trade and other payables	25	132,346,134	69,478,887
Less: Short term funds	22	(102,277,269)	(105,868,400)
Less: Cash and bank balances	23	(308,512,711)	(232,103,780)
Net debt		(212,076,924)	(219,185,207)
Equity attributable to the owners of the Company		809,802,957	749,273,794
Non-controlling interests		109,622,028	94,884,022
Total equity		919,424,985	844,157,816
Capital and net debt		707,348,061	624,972,609
Net gearing ratio		N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022 (CONT'D)

40. Dividends

	Group and Company	
	2022	2021
	RM	RM
Recognised during the year:		
In respect of financial year 2021:		
- Interim single-tier dividend of 4 sen per share	-	37,344,293
- Special single-tier dividend of 3 sen per share	-	28,008,292
- Final single-tier dividend of 3 sen per share	28,617,884	-
In respect of financial year 2022:		
- Interim single-tier dividend of 5 sen per share	48,212,478	-
- Special single-tier dividend of 4 sen per share	38,616,613	-
	115,446,975	65,352,585
Proposed for approval at AGM (not recognised as at 31 January):		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final single-tier dividend for 2022: 5 sen (2021: 3 sen) per share	48,272,653	28,008,292

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 31 January 2022 of 5 sen per ordinary share, amounting to a dividend payable of RM48,272,653 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2023.

41. Significant event

On 19 February 2020, the Company announced that it entered into four (4) separate conditional Sale and Purchase Agreements ("the SPAs") with (1) Greenfingers Sdn. Bhd.; (2) R & H Sdn. Bhd.; (3) Bakti Perusahaan Sdn. Bhd.; and (4) Sri Handal Sdn. Bhd. (collectively referred to as "the Vendors") to acquire oil palm plantation lands in Sabah with a total gross land area of approximately 2,862 acres ("the Acquisitions"). The total cash purchase consideration is RM92,538,290 which is approximately RM32,500 per acre.

On 3 February 2021, the Company announced that it entered into four (4) separate Second Supplemental Agreements ("the 2nd SAs") to take over possession of oil palm plantation lands from the Vendors and agreed to release a sum equivalent to 80% of the Purchase Price. Upon release of total payments of RM52.90 million on 9 February 2021, Suhenson Estate Sdn. Bhd. ("SESB"), a wholly owned subsidiary company nominated by the Company, took possession of four (4) pieces of the lands which have been duly registered in the name of SESB whilst pending the fulfilment of all Conditions Precedent by the Vendors. Any further extension to the Further Extended Conditional Period shall be at the sole discretion of the Company.

41. Significant event (cont'd)

The total net title area taken over is 2,708 acres which is equivalent to 95% of the total gross land area of approximately 2,862 acres under the Acquisitions. In May 2021, the Company decided to terminate the purchase of the remaining one (1) piece of land measuring approximately 139.7 acres under the Acquisitions due to unfulfillment of Conditions Precedent.

After due consideration on documentation received in July 2021 and upon fulfilment of major Conditions Precedent, the management decided to recognise the acquisitions of 2,708 acres lands as the assets of the Group as the management is of the view that the risks and rewards are deemed to have been transferred to the Group. The purchase consideration of RM88 million has been allocated to right-of-use assets, bearer plants and property, plant and equipment based on the relative fair value of the assets.

All Conditions Precedent for the purchase of the 2,708 acres were fulfilled on 14 January 2022.

The balance purchase price has been settled on 12 May 2022.

42. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2022 were authorised for issue in accordance with a resolution of the Directors on 17 May 2022.

ANALYSIS OF SHAREHOLDINGS

AS AT 22 APRIL 2022

Issued and Fully Paid Up Capital	:	RM363,017,265.08 consisting of 967,259,051 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS (As per Record of Depositors)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Total Number of Issued Shares
Less than 100 shares	60	1.04	1,696	0.00
100 to 1,000 shares	591	10.28	395,377	0.04
1,001 to 10,000 shares	2,950	51.30	14,829,915	1.54
10,001 to 100,000 shares	1,760	30.61	55,993,121	5.80
100,001 to less than 5% of shares	388	6.75	271,719,314	28.14
5% and above of shares	1	0.02	622,513,628	64.48
Total	5,750	100.00	965,453,051 Ω	100.00

Ω is equivalent to 967,259,051 less 1,806,000 shares bought back and retained as treasury shares

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

Name of Shareholders	No. of Shares held	% of Total Number of Issued Shares
1. Sharikat Kim Loong Sendirian Berhad	622,513,628	64.48
2. Teo Chuan Keng Sdn. Bhd.	20,500,000	2.12
3. Krishnan Chellam	15,200,000	1.57
4. Koperasi Polis DiRaja Malaysia Berhad	7,500,000	0.78
5. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. -Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	6,132,532	0.64
6. Adam Helmi bin Timbas Helmi	6,000,000	0.62
7. Neoh Choo Ee & Company, Sdn. Berhad	5,094,594	0.53
8. Gan Teng Siew Realty Sdn. Berhad	4,500,000	0.47
9. Key Development Sdn. Berhad	4,500,000	0.47
10. Cimsec Nominees (Tempatan) Sdn. Bhd. -CIMB for Prudent Strength Sdn. Bhd. (PB)	3,877,100	0.40
11. Golden Fresh Sdn. Bhd.	3,850,000	0.40
12. Aliran Insaf (M) Sdn. Bhd.	3,735,000	0.39
13. Public Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Gooi Seong Heen (E-JBU)	3,629,934	0.38
14. Gooi Seow Mee	3,610,656	0.37
15. Herng Yuen Sdn. Bhd.	3,422,160	0.35
16. Citigroup Nominees (Tempatan) Sdn. Bhd. -Exempt An For OCBC Securities Private Limited (Client A/C-RES)	3,359,996	0.35
17. Ang Chai Eng	3,217,500	0.33
18. Gooi Seong Chneh	3,188,934	0.33
19. HSBC Nominees (Tempatan) Sdn. Bhd. -Exempt an for Credit Suisse (SG BR-TST-TEMP)	3,180,000	0.33
20. Cimsec Nominees (Tempatan) Sdn. Bhd. -CIMB for Chellam Plantations (Sabah) Sdn. Bhd. (PB)	3,000,000	0.31
21. Lim Weng Ho	2,902,800	0.30
22. Maybank Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Gan Tee Jin	2,513,700	0.26

ANALYSIS OF SHAREHOLDINGS

AS AT 22 APRIL 2022 (CONT'D)

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors) (Cont'd)

Name of Shareholders	No. of Shares held	% of Total Number of Issued Shares
23. Radeshah binti Ridzwani	2,507,400	0.26
24. Loh Boon Hong	2,500,000	0.26
25. Khoo Heng Suan	2,482,380	0.26
26. Teo Tian Chai Sdn. Bhd.	2,450,000	0.25
27. Lee Ah Kow	2,403,000	0.25
28. Loh Boon Siong	2,364,000	0.24
29. Maybank Nominees (Tempatan) Sdn. Bhd. -Maybank Private Wealth Management for Chellam Investments Sdn. Berhad (PW-M01319) (427121)	2,350,000	0.24
30. HSBC Nominees (Tempatan) Sdn. Bhd. -HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)	2,250,100	0.23
TOTAL	754,735,414	78.17

The thirty largest shareholders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the shares from different securities accounts belonging to the same depositor).

SUBSTANTIAL SHAREHOLDERS (excluding bare trustees) (As per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of shares held or beneficially interested in		% of Total Number of Issued Shares	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	624,452,616	-	64.68	-
Gooi Seong Lim	6,102,532[(a)]	632,435,972[(b)]	0.63	65.51
Gooi Seong Heen	5,568,922[(c)]	628,210,776[(d)]	0.58	65.07
Gooi Seong Chneh	5,127,922	628,227,576[(e)]	0.53	65.07
Gooi Seong Gum	397,800	628,378,776[(f)]	0.04	65.09

DIRECTORS' SHAREHOLDINGS (As per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Gooi Seong Lim	6,102,532[(a)]	0.63	632,435,972[(b)]	65.51
Gooi Seong Heen	5,568,922[(c)]	0.58	628,210,776[(d)]	65.07
Gooi Seong Chneh	5,127,922	0.53	628,227,576[(e)]	65.07
Gooi Seong Gum	397,800	0.04	628,378,776[(f)]	65.09
Gan Kim Guan	-	-	-	-
Chan Weng Hoong	-	-	-	-
Cheang Kwan Chow	-	-	-	-
Gooi Khai Chien	-	-	3,149,996[(g)]	0.33
Gooi Chuen Kang	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 22 APRIL 2022 (CONT'D)

Notes:-

(a) *6,102,532 shares held in bare trust by UOB Kay Hian Nominees (Tempatan) Sdn. Bhd.*

(b) *Deemed interest by virtue of his interest in Sharikat Kim Loong Sendirian Berhad ("SKL") which holds 624,452,616 shares, Herng Yuen Sdn. Bhd. ("HY") which holds 3,422,160 shares, 3,149,996 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Seong Lim is a director and major shareholder and his spouse, Lim Phaik Ean, who holds 1,411,200 shares.*

(c) *1,938,988 and 3,629,934 shares held in bare trust by CIMB Group Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.*

(d) *Deemed interest by virtue of his interest in SKL which holds 624,452,616 shares, HY which holds 3,422,160 shares and his spouse, Looi Kok Yean, who holds 336,000 shares.*

(e) *Deemed interest by virtue of his interest in SKL which holds 624,452,616 shares, HY which holds 3,422,160 shares and his spouse, Lee T'ian C'ean, who holds 352,800 shares.*

(f) *Deemed interest by virtue of his interest in SKL which holds 624,452,616 shares, HY which holds 3,422,160 shares and his spouse, Teo Ai Mei, who holds 504,000 shares.*

(g) *Deemed interest by virtue of his interest in 3,149,996 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Khai Chien is a major shareholder.*

ANALYSIS OF WARRANT HOLDINGS

AS AT 22 APRIL 2022

No. of Warrants 2018/2025 issued	:	46,680,235
Exercise Price	:	RM1.40 for one ordinary share
Exercise Rights	:	Each warrant entitles the holder to subscribe for one new ordinary share
Exercise Period	:	11 April 2018 to 10 April 2025
No. of Warrants exercised	:	31,867,344
No. of Warrants unexercised	:	14,812,891

DISTRIBUTION OF WARRANT HOLDINGS (As per Record of Depositors)

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Total Warrants
Less than 100 warrants	397	13.61	14,477	0.10
100 to 1,000 warrants	1,584	54.30	590,308	3.99
1,001 to 10,000 warrants	750	25.71	2,189,716	14.78
10,001 to 100,000 warrants	154	5.28	4,937,489	33.33
100,001 to less than 5% of warrants	32	1.10	7,080,901	47.80
5% and above of warrants	0	0.00	0	0.00
Total	2,917	100.00	14,812,891	100.00

THIRTY LARGEST WARRANT HOLDERS (As per Record of Depositors)

Name of Warrant Holders	No. of Warrants Held	% of Total Warrants
1. Tee Swee Keng	709,100	4.79
2. Low Siew Nyok	500,000	3.38
3. Ng Kok Hin	428,000	2.89
4. Amanahraya Trustees Berhad -PB Smallcap Growth Fund	403,515	2.72
5. Koperasi Polis DiRaja Malaysia Berhad	375,000	2.53
6. Kenanga Nominees (Tempatan) Sdn. Bhd. -The Visitor in the Federation of Malaya of the Christian Brothers' Schools	306,500	2.07
7. Adam Helmi bin Timbas Helmi	300,000	2.03
8. Soo Ai Lin	264,900	1.79
9. Neoh Choo Ee & Company, Sdn. Berhad	254,729	1.72
10. Gan Teng Siew Realty Sdn. Berhad	225,000	1.52
11. Key Development Sdn. Berhad	225,000	1.52
12. Topplant Laboratories Sendirian Berhad	225,000	1.52
13. Victor Lim Fung Tuang	206,000	1.39
14. Maybank Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Raymond Chew Hoong Keat	199,800	1.35
15. Gooi Seow Mee	180,532	1.22
16. Chee Kok Seng	180,000	1.22
17. Teo Hong Kok	176,700	1.19
18. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Gim Leong	165,000	1.11
19. Chan Jian Wen	160,000	1.08
20. Kenanga Nominees (Tempatan) Sdn. Bhd. -Rakuten Trade Sdn. Bhd. for Chan Jian Ming	158,200	1.07
21. Alliancegroup Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Ser Toh Chon Chien (7006951)	137,000	0.92
22. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Ng Kok Hin (K DMSR-CL)	135,900	0.92
23. Lee Pei Nee	129,000	0.87

ANALYSIS OF WARRANT HOLDINGS

AS AT 22 APRIL 2022 (CONT'D)

THIRTY LARGEST WARRANT HOLDERS (As per Record of Depositors) (Cont'd)

Name of Warrant Holders	No. of Warrants Held	% of Total Warrants
24. Radeshah binti Ridzwani	125,370	0.85
25. Loh Boon Hong	123,000	0.83
26. Venkata Chellam A/L Subramaniam	122,200	0.82
27. Loh Boon Siong	118,200	0.80
28. Public Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Cheong Chuang Cyan (E-PRA)	114,000	0.77
29. Cimsec Nominees (Tempatan) Sdn. Bhd. -CIMB for Prudent Strength Sdn. Bhd. (PB)	112,255	0.76
30. Cimsec Nominees (Tempatan) Sdn. Bhd. -CIMB for Cheah Chee Siong (PB)	110,000	0.74
TOTAL	6,869,901	46.37

The thirty largest warrant holders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the warrants from different securities accounts belonging to the same depositor).

DIRECTORS' INTEREST IN WARRANTS 2018/2025 (As per Register of Directors' Warrant Holdings)

Name of Directors	Direct Interest Warrant Holdings	Direct Interest %	Indirect Interest Warrant Holdings	Indirect Interest %
Gooi Seong Lim	-	-	-	-
Gooi Seong Heen	-	-	16,800[(a)]	0.11
Gooi Seong Chneh	-	-	-	-
Gooi Seong Gum	19,890	0.13	25,200[(b)]	0.17
Gan Kim Guan	-	-	-	-
Chan Weng Hoong	-	-	-	-
Cheang Kwan Chow	-	-	-	-
Gooi Khai Chien	-	-	-	-
Gooi Chuen Kang	-	-	-	-

Notes:-

(a) Deemed interest by virtue of his interest his spouse, Looi Kok Yean, who holds 16,800 warrants.

(b) Deemed interest by virtue of his interest in his spouse, Teo Ai Mei, who holds 25,200 warrants.

LIST OF PROPERTIES HELD BY THE GROUP

Beneficial owner/ Location	Tenure- leasehold interest expiring on	Description and existing use	Land area (Ha)	Date of revaluation/ (acquisition)	Approx. age of building	Net carrying amount as at 31 January 2022 RM'000
Kim Loong Resources Berhad						
- CL 085311253	31/12/2077	Oil palm plantation	80.86	01 Feb 2017	Not applicable	6,700
- CL 085313079	31/12/2078	Oil palm plantation	384.25	01 Feb 2017	Not applicable	29,699
- CL 085311306	31/12/2077	Oil palm plantation	121.45	01 Feb 2017	Not applicable	8,774
- CL 085311315	31/12/2077	Oil palm plantation	102.51	01 Feb 2017	Not applicable	7,323
- CL 085311244	31/12/2077	Oil palm plantation	166.53	01 Feb 2017	Not applicable	12,233
District of Labuk/ Sugut, Sabah						
- CL 095317552	31/12/2085	Oil palm plantation	6.07	01 Feb 2017	Not applicable	478
- CL 095317561	31/12/2085	Oil palm plantation	5.93	01 Feb 2017	Not applicable	467
- CL 095315058	31/12/2085	Oil palm plantation	303.39	01 Feb 2017	Not applicable	23,872
- CL 095317436	31/12/2087	Oil palm plantation	14.25	01 Feb 2017	Not applicable	1,060
- CL 095310777	31/12/2078	Oil palm plantation	395.78	01 Feb 2017	Not applicable	32,430
- CL 095315049	31/12/2085	Oil palm plantation	343.90	01 Feb 2017	Not applicable	27,423
- CL 095316957	31/12/2086	Oil palm plantation	80.82	01 Feb 2017	Not applicable	6,010
- CL 095310428	31/12/2077	Oil palm plantation	81.06	01 Feb 2017	Not applicable	6,717
- CL 095310982	31/12/2078	Oil palm plantation	400.56	01 Feb 2017	Not applicable	29,669
- CL 095310526	31/12/2077	Oil palm plantation	243.74	01 Feb 2017	Not applicable	17,478
District of Kinabatangan, Sabah						
- Lot 7052, Section 64 Jalan Sekama Kuching, Sarawak	31/12/2779	Shoplot office	-	(01 Feb 2010)	38 years	1,141
- H.S.(D) 570643 (PN 73481), PTD 228528 (Lot 210827) Mukim Plentong, Johor Bahru, Johor	27/10/2911	Single storey semi-detached factory with two storey office	-	(28 May 2019)	2 years	2,602
- H.S.(D) 570644 (PN 73482), PTD 228529 (Lot 210828) Mukim Plentong, Johor Bahru, Johor	27/10/2911	Single storey semi-detached factory with two storey office	-	(28 May 2019)	2 years	3,209
Suhenson Estate Sdn. Bhd.						
- CL 095310704	31/12/2078	Oil palm plantation	201.53	(09 Feb 2021)	Not applicable	16,043
- CL 095310884	31/12/2079	Oil palm plantation	149.05	(09 Feb 2021)	Not applicable	11,135
- CL 095315245	31/12/2085	Oil palm plantation	356.94	(09 Feb 2021)	Not applicable	32,003
- PL 096290416	31/12/2078	Oil palm plantation	388.23	(09 Feb 2021)	Not applicable	30,565
District of Kinabatangan, Sabah						

LIST OF PROPERTIES HELD BY THE GROUP

(CONT'D)

Beneficial owner/ Location	Tenure-leasehold interest expiring on	Description and existing use	Land area (Ha)	Date of revaluation/ (acquisition)	Approx. age of building	Net carrying amount as at 31 January 2022 RM'000
Kim Loong - KPD Plantations Sdn. Bhd.						
- CL 255332631	31/12/2086	Oil palm plantation	1,610.00	31 Jan 2004	Not applicable	26,432
- CL 255340160 District of Tongod, Sabah	30/06/2062	Oil palm plantation	385.60[(1)]	31 Jan 2004	Not applicable	6,816
Okidville Holdings Sdn. Bhd.						
- CL 135328782 Sook, District of Keningau, Sabah	31/12/2083	Oil palm plantation	2,755.50	31 Jan 2004	Not applicable	40,457
Desa Okidville Sdn. Bhd.						
- CL 135367930 Sook, District of Keningau, Sabah	31/12/2080	Oil palm plantation	4,355.55	31 Jan 2004	Not applicable	55,237
Desa Kim Loong Palm Oil Sdn. Bhd.						
- CL 135367912	31/12/2080	Palm oil mill	12.14	01 Feb 2011	19 years	8,961
- CL 135367921	31/12/2080	Oil palm plantation	27.51	01 Feb 2011	Not applicable	3,115
- Part of CL 135367903 Sook, District of Keningau, Sabah	29/02/2064	Housing area, water reservoir and POME area	77.13[(1)]	(01 Mar 2004)	Not applicable	3,083
Kim Loong Palm Oil Mills Sdn. Bhd.						
- GRN 60265, Lot 2420	Freehold	Palm oil mill	24.18	01 Feb 2011	25 years	17,867
- H.S.(D) 32061, PTD 3878 & H.S.(D) 32062, PTD 3879 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	Freehold	Vacant land	8.22	01 Feb 2011	Not applicable	8,726
Winsome Al-Yatama Sdn. Bhd.						
- H.S.(D) 34747, PTD 828 Mukim Hulu Sg Sedeli Besar, Kota Tinggi, Johor	08/11/2064	Oil palm plantation	1,085.63[(1)]	(09 Nov 2004)	Not applicable	16,024
Palm Nutraceuticals Sdn. Bhd.						
- GRN 60265, Lot 2420 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory/office[(2)]	-	Not applicable	17 years	913

LIST OF PROPERTIES HELD BY THE GROUP
(CONT'D)

Beneficial owner/ Location	Tenure-leasehold interest expiring on	Description and existing use	Land area (Ha)	Date of revaluation/ (acquisition)	Approx. age of building	Net carrying amount as at 31 January 2022 RM'000
Kim Loong Technologies Sdn. Bhd.						
- GRN 60265, Lot 2420 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory[2]	-	Not applicable	16 years	769
Kim Loong Sabah Mills Sdn. Bhd.						
- CL 255340179 District of Tongod, Sabah	31/12/2086	Palm oil mill	13.80	01 Feb 2011	14 years	12,475
Kim Loong Technologies (Sabah) Sdn. Bhd.						
- CL 135367912 Sook, District of Keningau, Sabah	31/12/2080	Factory[2]	-	Not applicable	12 years	640
Kim Loong Power Sdn. Bhd.						
- GRN 60265, Lot 2420 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory/store[2]	-	Not applicable	13 years	943
- CL 135367912 Sook, District of Keningau, Sabah	31/12/2080	Fencing[2]	-	Not applicable	12 years	13
- CL 255340179 District of Tongod, Sabah	31/12/2086	Factory[2]	-	Not applicable	9 years	1,228
Winsome Pelita (Pantu) Sdn. Bhd.						
- Sungai Tenggang and Kranggas/ Mawang Sri Aman, Sarawak	NCR Native Land 60 years	Oil palm plantation	2,773.70	(06 Jan 2010)	Not applicable	45,315
Winsome Jaya Sdn. Bhd.						
- H.S.(D) 34748, PTD 413 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	26/08/2111	Oil palm plantation	47.74[1]	(27 Aug 2013)	Not applicable	584
			17,003.55			556,629

[1] These lands were subleased from third parties.
[2] These building are sited on rented land held by related companies.

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KIM LOONG
RESOURCES BERHAD
錦隆資源有限公司
197501000991(22703-K)

FORM OF PROXY

CDS Account No.	
Contact No.	

I/We, ____

Company No./NRIC No. (new) ______________________ (old) ______________________

of ____

being (a) member(s) of Kim Loong Resources Berhad do hereby appoint: ______________________

NRIC No. (new) ______________________ (old) ______________________

of ____

and/or failing whom ______________________ NRIC No. (new) ______________________

(old) ______________________ of ______________________

or failing whom the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Forty-seventh Annual General Meeting of the Company to be held at the Ruby 1 & 2, Level 9, Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor Darul Takzim on Wednesday, 27 July 2022 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below:-

No.	Ordinary Resolution	For	Against
1.	Declaration of final dividend		
2.	Payment of Directors' fees		
3.	Payment of Directors' benefits		
4.	Re-election of Director : Mr. Gooi Seong Lim		
5.	Re-election of Director : Mr. Gooi Seong Gum		
6.	Re-appointment of Auditors		
7.	Authority to allot and issue shares		
8.	Proposed Renewal of Authority for Share Buy-Back		
9.	Retention of Independent Non-Executive Director : Mr. Gan Kim Guan		
10.	Retention of Independent Non-Executive Director : Mr. Chan Weng Hoong		
11.	Retention of Independent Non-Executive Director : Mr. Cheang Kwan Chow		
12.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Dated this _______ day of ___________ 2022

Number of shares held

For appointment of two proxies, percentage of shareholdings to be represented by proxies:		
	No. of shares	**Percentage**
Proxy 1		
Proxy 2		
Total		**100%**

____
Signature(s)/Common Seal of Member(s)

NOTES:

A member whose name appear in the Record of Depositors as at 20 July 2022 shall be regarded as a member entitled to attend, speak and vote at the meeting.

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney.

Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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STAMP

The Secretary

KIM LOONG RESOURCES BERHAD

Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.

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www.kimloong.com.my

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