

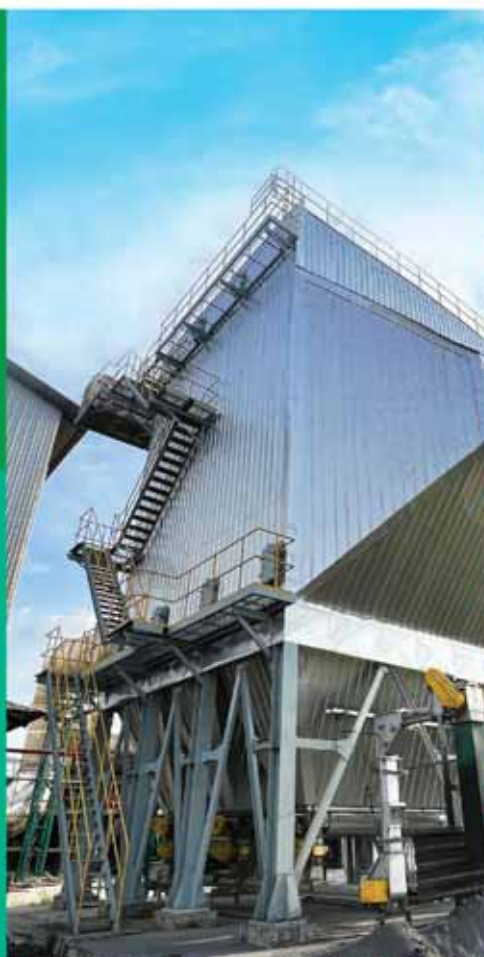


KIM LOONG  
RESOURCES BERHAD

錦隆資源有限公司  
197501000991(22703-K)

# SEEDS OF SUCCESS: NURTURING GROWTH

ANNUAL REPORT 2024



**Forbes Asia**  
**BEST** UNDER A  
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THE REGION'S TOP 200  
SMALL AND MIDSIZE COMPANIES

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## **Best Under A Billion**

(THE REGION'S TOP 200 SMALL AND MIDSIZE COMPANIES IN 2023)

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# **Forbes Asia**

We are greatly inspired by this achievement,  
and we share this special honour with all our stakeholders.





# 49<sup>th</sup> ANNUAL GENERAL MEETING



**Date**  
Wednesday,  
3 July 2024



**Time**  
11.00 a.m.



**Venue**  
Junior Ballroom, Level 11, DoubleTree by Hilton,  
No. 12, Jalan Ngee Heng, 80000 Johor Bahru,  
Johor Darul Takzim.

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Form of Proxy



REVENUE  
**RM1.53**  
BILLION



EARNINGS PER SHARE  
**15.25**  
SEN



PROFIT BEFORE TAX  
**RM232.28**  
MILLION



SHAREHOLDERS' EQUITY  
**RM864.92**  
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 in its estate at Ulu Tiram, Johor and commenced operations in 1982. This palm oil mill was relocated to Kota Tinggi, Johor under Kim Loong Palm Oil Mills Sdn. Bhd. and 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.



## 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.

## 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.

## 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.

## 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.

## 2019

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

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

## 2019/2021

Telupid mill was awarded by DOE the best compliance palm oil mill in Sabah.



## 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, and later assigned this purchase to its subsidiary, Suhenson Estate Sdn. Bhd. In February 2021, the Group took possession of 2,708 acres (1,096 hectares).

# CORPORATE MILESTONES

(CONT'D)

## 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.

## 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.

## 2004

The Group entered into a Development cum Joint Venture with AI-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").

## 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).

## 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).

## 2022

Kim Loong Resources Berhad is one of the Seven Malaysian Companies selected by Forbes as Asia's Best under A Billion 2022 list.

In December 2022, biogas plant at Keningau Mill commenced supplying power up to 2 MW to grid.

## 2023

Following year 2022, KLRB has again been recognised by Forbes Asia together with the other Eight Malaysian companies as part of its coverage of Best Under A Billion 2023, which highlights 200 Asia-Pacific companies with less than US\$1 billion in revenue and consistent top-line and bottom-line growth.

All the 3 palm oil mills and 2 palm fiber oil solvent extraction plants under the Group passed the International Sustainability and Carbon Certification ("ISCC") audit and obtained ISCC certification.

In December 2023, biogas plant at Telupid Mill commenced supplying power up to 1.5 MW to grid.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-ninth Annual General Meeting of Kim Loong Resources Berhad will be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Wednesday, 3 July 2024 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 2024 together with the Auditors' Report thereon.
2. To approve the following payment to Directors:-
  - (a) Fees totalling RM288,000 for the financial year ended 31 January 2024. (Ordinary Resolution 1)
  - (b) Benefits of up to RM40,000 from this Annual General Meeting until the next annual general meeting of the Company. (Ordinary Resolution 2)
3. To re-elect the following Directors retiring in accordance with Clause 88 of the Constitution of the Company:-
  - (a) Mr. Gooi Seong Chneh (Ordinary Resolution 3)
  - (b) Mr. Gooi Seong Lim (Ordinary Resolution 4)
4. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 5)

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

### 5. AUTHORITY TO ALLOT AND ISSUE SHARES

"THAT subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company and the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") and other governmental/regulatory bodies, where such approval shall be necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as they may in their absolute discretion 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 Securities 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; AND THAT the shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85 of the Act to be read with the Constitution of the Company to be first offered new shares of the Company ranking equally to the existing issued shares arising from any issue of new shares in the Company pursuant to Sections 75 and 76 of the Act."

(Ordinary Resolution 6)

## NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

### 6. 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 97,632,568 representing 10% of the total number of issued shares of the Company as at 25 April 2024;
- (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 2024 of RM60,929,102;
- (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 7)

# NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

## 7. 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 2024 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;

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 8)

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

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 2024



# NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

## NOTES:

- (1) A member whose name appears in the Record of Depositors as at 26 June 2024 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.

- (3) Audited Financial Statements for the financial year ended 31 January 2024 –

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 2 -

The Directors' benefits comprise the following –

- (a) Meeting allowance of RM500 per meeting day; and
- (b) Training benefits.

- (5) Ordinary Resolution 6 -

This resolution, if passed, 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 they may in their absolute discretion deem fit and 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 27 July 2023 and which will lapse at the conclusion of the Forty-ninth 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.

By passing this resolution, the shareholders of the Company have waived their pre-emptive rights to be first offered new shares of the Company which will result in a dilution of their shareholding percentage in the Company.

- (6) Ordinary Resolution 7 -

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 2024 which is enclosed together with the Annual Report 2024.

- (7) Ordinary Resolution 8 -

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 2024 which is enclosed together with the Annual Report 2024.



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## 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-ninth Annual General Meeting:-

(a) Mr. Gooi Seong Chneh

(b) Mr. Gooi Seong Lim

The profiles of the Directors standing for re-election as mentioned in paragraph above at the Forty-ninth Annual General Meeting are set out in the Annual Report 2024 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-ninth Annual General Meeting.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**GOOI SEONG LIM**  
*Executive Chairman*

**GOOI SEONG HEEN**  
*Managing Director*

**GOOI SEONG CHNEH**  
*Executive Director*

**YONG CHUNG SIN**  
*Senior Independent  
Non-Executive Director*

**GOOI TSIH ERN**  
*Alternate Director to  
Mr. Gooi Seong Lim*

**GOOI CHUEN KANG**  
*Alternate Director to  
Mr. Gooi Seong Heen*

**GOOI SEONG GUM**  
*Executive Director*

**SOH BAN TING**  
*Independent  
Non-Executive Director*

**DR. CHEE YAU KUAN @  
CHIA YAN KUAN**  
*Independent  
Non-Executive Director*

### AUDIT COMMITTEE

**Yong Chung Sin**  
*Chairman*  
**Soh Ban Ting**  
**Dr. Chee Yau Kuan @  
Chia Yan Kuan**

### 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  
Email : ypchong@tacsco.com.my

### 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  
Email : ypchong@tacsco.com.my

### 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



**Gooi Seong Lim**  
Executive Chairman



**Gooi Seong Heen**  
Managing Director



**Gooi Seong Chneh**  
Executive Director



**Gooi Seong Gum**  
Executive Director



**Yong Chung Sin**  
Senior Independent  
Non-Executive Director



**Soh Ban Ting**  
Independent  
Non-Executive Director



**BOARD OF  
DIRECTORS**

(CONT'D)



**Dr. Chee Yau Kuan @  
Chia Yan Kuan**  
Independent  
Non-Executive Director



**Gooi Tsih Ern**  
Alternate Director  
to Mr. Gooi Seong Lim



**Gooi Chuen Kang**  
Alternate Director  
to Mr. Gooi Seong Heen



**Kan Chee Jing**  
Company Secretary



**Chong Fook Sin**  
Company Secretary



**Chua Yoke Bee**  
Company Secretary

## PROFILE OF DIRECTORS



**GOOI SEONG LIM**

Executive Chairman



75 Years old



Male



Malaysian

**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 to-date, 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 2024. He attended all the five (5) Board meetings held during the financial year 2024.



**GOOI SEONG HEEN**

Managing Director



73 Years old



Male



Malaysian

**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 2024. He attended four (4) out of five (5) Board meetings held during the financial year 2024.

## PROFILE OF DIRECTORS

(CONT'D)



**GOOI SEONG CHNEH**

Executive Director



69 Years old



Male



Malaysian

**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 2024. He attended four (4) out of five (5) Board meetings held during the financial year 2024.



**GOOI SEONG GUM**

Executive Director



68 Years old



Male



Malaysian

**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 2024. He attended all the five (5) Board meetings held during the financial year 2024.

## PROFILE OF DIRECTORS

(CONT'D)



**YONG CHUNG SIN**

Senior Independent Non-Executive Director



52 Years old



Male



Malaysian

**Yong Chung Sin** was appointed to the Board of KLR as an Independent Non-Executive Director on 15 September 2022. He is currently the Senior Independent Non-Executive Director of KLR. He was appointed as a member of the Audit, Nominating and Remuneration Committees on 15 September 2022 and currently, he is the Chairman of the Audit, Nominating and Remuneration Committees. He is a fellow member of the Association of Chartered Certified Accountants and a Chartered Accountant of the Malaysian Institute of Accountants. He also graduated with a Master in Business Administration from the University of Keele, United Kingdom. He has vast experience in Audit and Assurance Services, having served as Audit Partner of RSM Malaysia before joining Kreston John & Gan. He is also involved in multiple corporate exercises and special engagements including financial due diligence review, investigative audit, business valuation, reporting accountant for IPO, reverse take-over, private debt securities and other corporate restructuring exercises. He is also a director of CCB.

Mr. Yong 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 2024. He attended all the five (5) Board meetings held during the financial year 2024.



**SOH BAN TING**

Independent Non-Executive Director



53 Years old



Female



Malaysian

**Soh Ban Ting** was appointed to the Board of KLR as an Independent Non-Executive Director on 15 September 2022. She is a member of the Audit Committee of KLR with effect from 15 September 2022. She also sits as a member of both the Nominating and Remuneration Committees with effect from 15 September 2022. She graduated with a Degree in Economics majoring in Accounting from the University of LaTrobe, Melbourne, Australia. She is a member of the Malaysian Institute of Accountants and a Certified Practicing Accountant of CPA Australia. She started her career in Ernst & Young in 1992 in the practice of corporate insolvency and restructuring. In 2013 she left Ernst & Young and diversified her skills sets and experience into corporate finance advisory to complement her restructuring profile. Her corporate advisory experience, which she gained from RSM Malaysia and subsequently 27 Capital Sdn Bhd, includes provision of advisory services such as strategic business planning, fund raising, financial modelling & valuation and corporate re-organisation. She is also a director of CCB. She has been a member of the Institute of Corporate Directors Malaysia (ICDM) since 14 December 2023.

Ms. Soh has no personal interest in any business arrangement involving KLR. She 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 2024. She attended all the five (5) Board meetings held during the financial year 2024.



## PROFILE OF DIRECTORS

(CONT'D)



**DR. CHEE YAU KUAN  
@ CHIA YAN KUAN**

Independent  
Non-Executive Director



82 Years old



Male



Malaysian

**Dr. Chee Yau Kuan @ Chia Yan Kuan** was appointed to the Board of KLR as an Independent Non-Executive Director on 30 November 2022. He is a member of the Audit Committee and the Nominating and Remuneration Committees with effect from 30 November 2022.

Dr. Chee holds a Bachelor of Agriculture Science and a Master of Agriculture Science from University of Malaya. He graduated with a Doctor of Agriculture Science from the University Ghent, Belgium. His specialization is in rubber agronomy, weed management, intercropping, legume cover crops, soil erosion, extension and training.

He was the Principal Research Officer at the Rubber Research Institute of Malaysia. He conducted training courses for Federal Land Development Authority (FELDA), Federal Land Consolidation and Rehabilitation Authority (FELCRA) and Rubber Industry Smallholders Development Authority (RISDA). He was a tree crop agronomist for Asian Development Bank, Manila, Philippines. He was a consultant on weed management for Syngenta Crop Protection Sdn. Bhd., and soil erosion control of North/South Highway for Sumara Kimia Company, Malaysia.

He was a member of the Pesticide Board Technical Committee, Ministry of Agriculture, Malaysia. He is a life member of the Malaysian Soil Science Society and Malaysian Gardening Society, and a resource member of the International Rubber Research and Development Board. In 2012/2013, he was a consultant to Malaysia Rubber Fund Board. He has published and presented 72 papers in International and local conferences, seminars, workshops, proceedings and books. In 2014, he published a book "Efficient weed management to enhance rubber production" with co-author Chung Gait Fee.

Dr. Chee 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 2024. He attended all the five (5) Board meeting held during the financial year 2024.

## PROFILE OF DIRECTORS

(CONT'D)



### GOOI TSIH ERN

Alternate Director to  
Mr. Gooi Seong Lim



37 Years old



Female



Malaysian

**Gooi Tsih Ern** was appointed to the Board of KLR as Alternate Director to Mr. Gooi Seong Lim on 20 June 2023. She graduated with a Bachelor of Chemical Engineering from the University of Melbourne, Australia in 2008 and a Master of Science in Investment and Finance from University of Strathclyde, Scotland in 2010. Miss Gooi has also completed Chartered Financial Analyst Level 1 of CFA Institute. She started her career as research analyst at Walter Scott and Partners, a Global Asset Management Firm in Edinburgh, in 2011. She then worked as an investment analyst in various asset management funds across different assets classes, including equity, fixed income, structured credit, and private equity. She worked as a senior credit analyst in Orchard Global Asset Manager from 2014 to 2016, providing transformational solutions to banks, asset managers and other borrowers, before joining her family investment office as a portfolio manager in 2017. She has extensive experience in the financial markets covering the energy, materials and agriculture sectors. She has been involved in the business operations of KLR Group since her appointment to the Board of KLR.

Miss Gooi has no personal interest in any business arrangement involving KLR except that she 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. She 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 2024.



### GOOI CHUEN KANG

Alternate Director to  
Mr. Gooi Seong Heen



38 Years old



Male



Malaysian

**Gooi Chuen Kang** was appointed to the Board of KLR as Alternate Director to Mr. Gooi Seong Heen on 31 March 2016 and is currently the Plantation Director of KLR. 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 2024.

#### Family Relationships

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

Gooi Seong Lim is father of Gooi Tsih Ern.

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 page 12 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 13 of this Annual Report)

### 2. MR. GOOI SEONG GUM

Executive Director

(Profile on Page 13 of this Annual Report)

### 3. MR. GOOI CHUEN KANG

Plantation 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

Male / 57 / Malaysian



**Chow Kok Hiang** 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 2024.

### GOOI CHUEN HOWE

Marketing & Mill Director

Male / 40 / Malaysian



**Gooi Chuen Howe** 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 the family investment company 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 2024.

### GOOI KHAI CHIEN

Investment and Development Director

Male / 32 / Malaysian



**Gooi Khai Chien** was the alternate director of Mr. Gooi Seong Lim for the period from 31 March 2016 to 20 June 2023. Currently, he is the Investment and Development 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 2024.

## PROFILE OF KEY SENIOR MANAGEMENT

(CONT'D)

### CHANG CHOW SWAN | General Manager

Male / 70 / Malaysian



**Chang Chow Swan** is currently a director and the General Manager of Kim Loong Palm Oil Mills Sdn. Bhd. ("KLPO"), 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 45 years of hands-on experience for multiple breakthroughs in palm oil milling waste, biogas, biomass and downstream treatment. He leads a group of engineers to engage in converting mill wastes into higher value products, bringing up KLPO Complex as a pioneer of wastes minimization in palm oil industry in Malaysia, and eventually benefiting the milling

operations of KLR Group. He is currently a Committee Member of Malaysia Palm Oil Millers Association ("POMA"). He also sits on the board of KLPO's holding company, Kim Loong Palm Oil Sdn. Bhd., which in turn is a wholly owned subsidiary of KLR.

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 2024.

### CHANG CHEE CHIONG | General Manager

Male / 62 / Malaysian



**Chang Chee Chiong** 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 has more than 40 years of working 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 2024.

### GAN LIONG HOE | Deputy General Manager

Male / 50 / Malaysian



**Gan Liong Hoe** 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 2024.



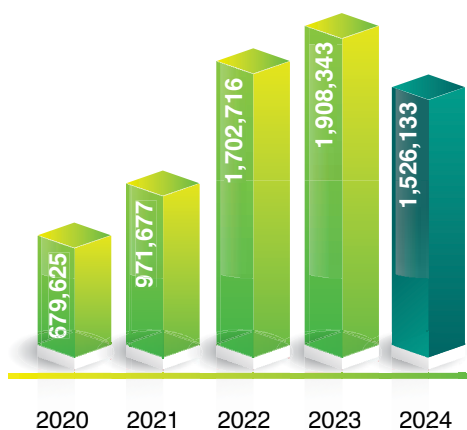
# GROUP STRUCTURE



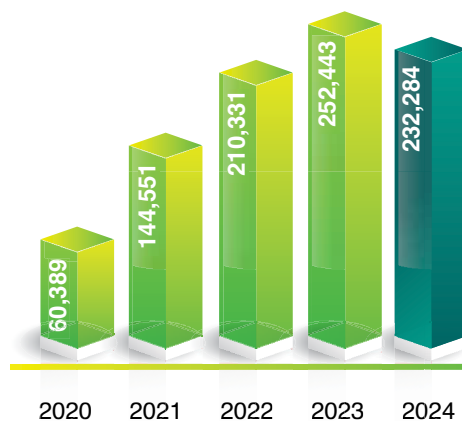
## GROUP FINANCIAL HIGHLIGHTS

### STATEMENT OF COMPREHENSIVE INCOME (RM'000)

Revenue

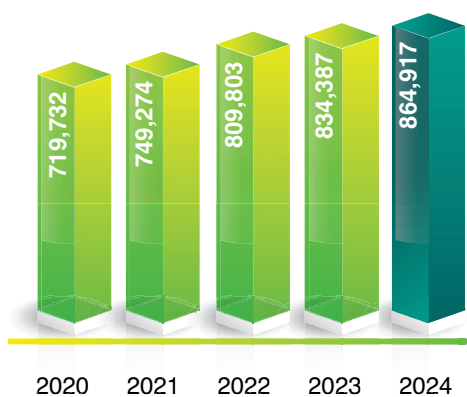


Profit Before Tax

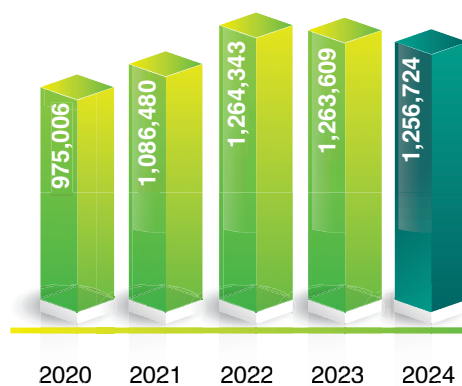


### STATEMENT OF FINANCIAL POSITION (RM'000)

Equity Attributable to Owners of the Company

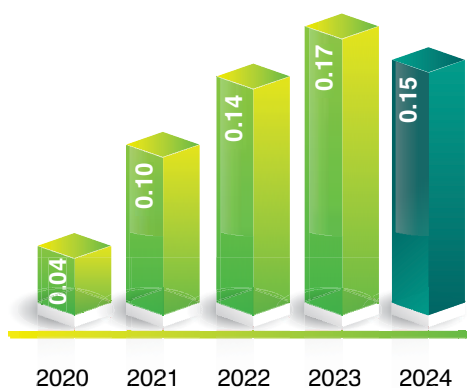


Total Assets

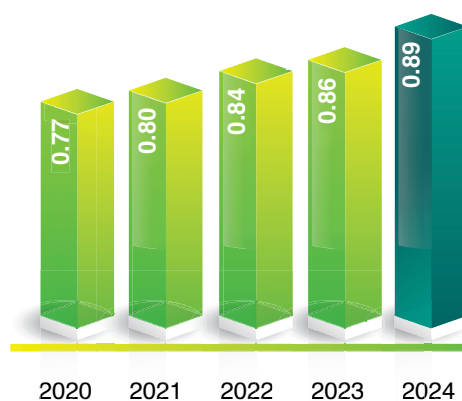


### PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)

Earnings



Net Assets



# GROUP FINANCIAL HIGHLIGHTS

(CONT'D)

	2020	2021	2022	2023	2024
<b>STATEMENT OF COMPREHENSIVE INCOME (RM'000)</b>					
Revenue	679,625	971,677	1,702,716	1,908,343	1,526,133
EBITDA	95,249	180,511	248,149	294,680	278,975
Profit before tax	60,389	144,551	210,331	252,443	232,284
Profit after tax	44,989	110,621	167,042	199,684	177,859
Net profit attributable to owners of the Company	41,061	94,891	136,580	162,257	147,751
<b>STATEMENT OF FINANCIAL POSITION (RM'000)</b>					
Paid-up share capital	318,433	318,437	369,304	371,865	380,892
Total shareholders' equity	807,026	844,158	919,425	953,700	980,424
Equity attributable to owners of the Company	719,732	749,274	809,803	834,387	864,917
Total assets	975,006	1,086,480	1,264,343	1,263,609	1,256,724
<b>PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>					
Earnings	0.04	0.10	0.14	0.17	0.15
Net Assets	0.77	0.80	0.84	0.86	0.89
Gross Dividend	0.03	0.10	0.14	0.15	0.13
Share Price at Year End	1.26	1.36	1.70	1.79	2.04
Weighted Average Number of Share in Issue ('000)	933,607	933,607	947,227	966,455	968,882
<b>FINANCIAL INDICATORS</b>					
Return on Equity (%)	5.57	13.10	18.17	20.94	18.14
Return on Total Assets (%)	4.61	10.18	13.21	15.81	14.15
Gearing Ratio (times)	0.02	0.06	0.07	0.06	0.05
Price-Earnings Ratio (times)	28.64	13.39	11.79	10.66	13.38
Interest Coverage Ratio (times)	86.17	144.34	109.47	106.09	94.30
Gross Dividend Yield (%)	2.38	7.35	8.24	8.38	6.37
<b>STATISTICS</b>					
<b>PLANTATIONS</b>					
<u>Plantation Area (Ha)</u>					
Oil palm					
Mature	12,874	11,765	13,032	14,259	15,177
Immature	1,635	3,092	2,907	1,681	749
Under development	438	38	-	-	14
Unplanted land	328	323	323	323	323
Total plantable area	15,275	15,218	16,262	16,263	16,263
Infrastructure and unplanted land	551	608	660	659	659
Total land area	15,826	15,826	16,922	16,922	16,922
<u>Production and Yield</u>					
Fresh fruit bunches ("FFB") (MT)	260,512	276,634	265,037	286,987	329,597
Yield per mature hectare (RM/Ha)	19.20	22.41	20.59	20.84	21.69
<b>MILLS</b>					
<u>Production and Extraction/Recovery Rates</u>					
Crude palm oil ("CPO") (MT)	247,659	280,493	311,752	330,968	317,607
Oil extraction rate (% of FFB)	21.72	21.14	21.04	20.75	20.61
Palm kernel ("PK") (MT)	60,119	69,073	75,373	81,763	77,197
Kernel recovery rate (% of FFB)	5.27	5.21	5.09	5.13	5.01
<b>AVERAGE SELLING PRICE [RM/MT]</b>					
CPO	2,118	2,755	4,488	4,898	3,819
PK	1,228	1,600	3,004	2,860	2,010

## CHAIRMAN'S STATEMENT

“

On behalf of the Board of Directors of Kim Loong Resources Berhad (“KLR”), I take pleasure to present to you the Annual Report and Audited Financial Statements for the financial year ended 31 January 2024.

”

**GOOI SEONG LIM**  
Executive Chairman



### FINANCIAL HIGHLIGHTS

#### RESULTS

The unrelenting geopolitical tensions in Ukraine, escalating conflicts in the Middle East and monetary policies tightening by central banks across the globe, are some of the uncertainties faced by businesses in 2023. Challenges more specific to the oil palm industry are also abound and these include the sharp decline in commodity prices, persisting labour shortages, biofuel policy changes and overall inflationary pressures, to name a few.

Amidst this challenging landscape, the Group has recorded an annual revenue of RM1.53 billion and turned in a profit before tax (“PBT”) of RM232.28 million for the financial year 2024 (“FY2024”). This represents a 20% fall in revenue and a corresponding 8% fall in PBT as compared to the financial year 2023 (“FY2023”).

The Group has remained resilient in countering the impact of the drastic fall in crude palm oil (“CPO”) and fresh fruit bunch (“FFB”) prices with increased FFB production and improved mill processing margins. In FY2024, the Group saw a 23% and 22% decline in its average selling prices for FFB and CPO respectively. The impact of the fall in prices is partly mitigated by a 15% increase in FFB production from our estates and mill processing margin improvements.

In December 2023, our third biogas plant at Telupid, Sabah commenced supply of power to Sabah Electricity Sdn Bhd (“SESB”) grid. Currently, the Group’s combined net export capacity to grids is 5.3 megawatt (“MW”) taking into account our biogas plants in Kota Tinggi, Johor (1.8 MW), Keningau, Sabah (2.0 MW) and Telupid, Sabah (1.5 MW). Our biogas plants at Kota Tinggi and Keningau have commenced supply of power to grid since 2019 and 2022 respectively.

The revenue generated from supplying renewable energy from our biogas plants has surged more than double from RM4.69 million in FY2023 to RM10.37 million in FY2024. The improvement in revenue is mainly contributed by our plant in Keningau.

Overall, the Group’s Return on Equity (after tax) dropped to 18.1% as compared to 20.9% in FY2023.



## CHAIRMAN'S STATEMENT

(CONT'D)

### DIVIDEND

Despite the lower profitability, the Company remains steadfast in its practice of rewarding its shareholders generously. The Company has declared a first interim dividend of 5 sen, a special dividend of 3 sen and a second interim dividend of 5 sen, making a total single tier dividend of 13 sen per share for FY2024 (FY2023: 15 sen per share).

The dividend payout ratio for FY2024 is approximately 86% of the annual profit attributable to owners of the Company. With this we achieved a dividend yield of 6.4% based on the closing share price of RM2.04 at the end of the financial year.

The Group's strong financial fundamental which we have built over the years is yielding returns to our shareholders today. We will strive to sustain our profitability and dividend payouts in the coming years as an acknowledgement of our shareholders' continuous support.

### DEVELOPMENT AND PROSPECTS

Against the backdrop of continuing geopolitical tensions and looming global economic slowdown, the Group will continue to look for potential growth opportunity as well as exercising agility and prudence in our corporate strategies.

Moving forward in the financial year 2025 ("FY2025"), barring any climate extremities, the Group targets to achieve FFB production of at least 5% higher than the quantity achieved in FY2024, on accounts of better age profile of young palms productive area and on-going replanting program. As part of our plan to achieve long-term sustainability in FFB production, the Group has resumed replanting activities since 2023 and targets to replant about 1,000 hectares per year in coming years.

As for the palm oil milling operations, the Group targets to achieve a total processing throughput of 1.6 million MT of FFB in FY2025. As our biogas plant at Telupid has commenced supply of renewable energy to SESB's grid since December 2023, we expect this plant to contribute positively to revenue as well as profit from FY2025 onwards.

In terms of CPO price prospects, although the movement of CPO price has been volatile and unpredictable, the Management expects the average CPO price for FY2025 to stay around RM4,000 per MT. At this price point, the Group is expected to continue to perform well in FY2025.

However, CPO price is generally susceptible to currency exchange rate fluctuations, demand and supply of commodities and policies of major importing and exporting countries. The Management will continue to practise vigilance in monitoring the impact of volatile pricing on our performance and take the necessary measures to mitigate exposure to such risk.



## CHAIRMAN'S STATEMENT

(CONT'D)



### ENVIRONMENT, SOCIAL AND GOVERNANCE ASPECTS

The Group is cognisant of the importance of running its operations sustainably with due consideration given to the way we manage environmental, social, and governance (“ESG”) aspects of the business.

On this front, the Group has an established practice of zero burning in both new planting and replanting activities in its plantations. All our plantations and mills have obtained Malaysian Sustainable Palm Oil (MSPO) certification. Our employees are provided with modern, comfortable, and functionally designed quarters with good quality water and electricity supply.

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 methane produced at our three palm oil mills. In FY2024, we recorded nearly 34 million M<sup>3</sup> (FY2023: 35 million M<sup>3</sup>) of greenhouse gases (GHG) captured which were then destroyed or repurposed to generate renewable energy for sales as well as to reduce our dependence on diesel power generator. The lower GHG captured was due to lower quantity of FFB processed in FY2024 as compared to FY2023.

### APPRECIATION

I would like to take this opportunity to express my appreciation to the Management and staff for their loyalty and dedication to the Group, and to all government authorities and agencies, bankers, valued customers, suppliers and business associates for their co-operation and continued support.

I am proud to add that Kim Loong Resources Berhad has been listed in the Forbes Asia's Best Under A Billion 2023 list. This is the 2nd consecutive year we have made the list by Forbes Asia, which recognises 200 small and mid-sized publicly traded companies in the Asia-Pacific region that outperformed despite stiff global headwinds. This recognition by Forbes Asia can only be achieved with the contribution and support from all members in our organisation.

Finally, a special thank to 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: 16 May 2024

## MANAGEMENT DISCUSSION AND ANALYSIS

### DESCRIPTION OF OUR GROUP'S BUSINESS AND STRATEGIES

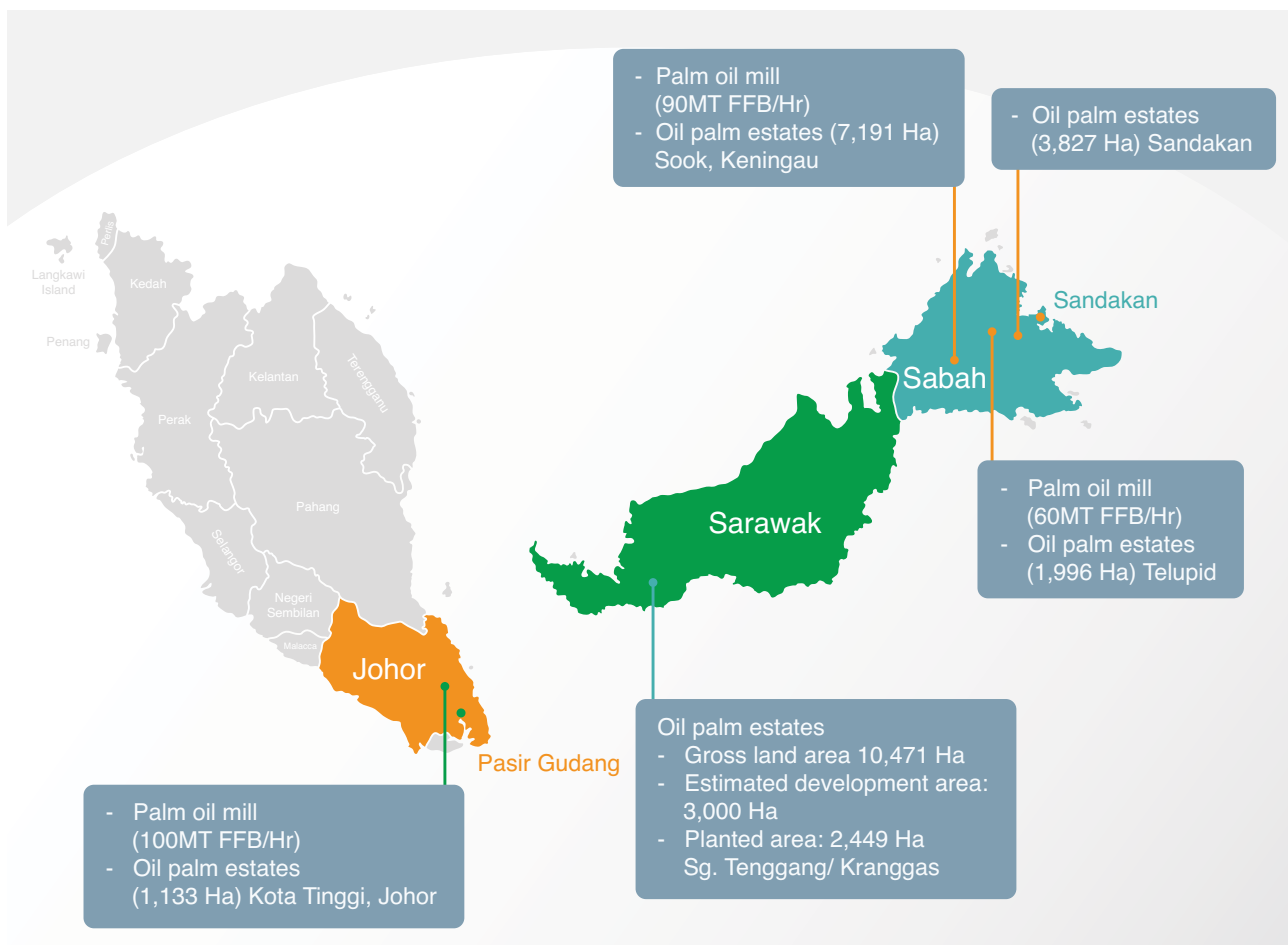
Kim Loong Resources Berhad and its subsidiaries (the "Group" or "KLR Group") are principally involved in investment holding, cultivation of oil palm, processing of oil palm fresh fruit bunches, marketing of oil palm products, processing of oil palm fibre and biogas and power generation.

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

As of 31 January 2024, 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 with mature palms above 6 years old, 20% are young mature below 6 years old while the remaining 5% 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. Currently, our palm oil mills have a collective FFB processing capacity of 1.6 million MT per annum.

#### Location of operations:



As part of the Group's progression and development plan, we are continuously sourcing for suitable plantation land in Johor, Sabah and Sarawak for estate expansion purposes. The Group is also planning to set up a palm oil mill in Sarawak and is taking the necessary action to secure a milling license in the said State.

Moving forward, the Group remains committed on improving its operational efficiency and returns from both its plantation and oil palm milling assets, and to do so sustainably with due consideration of the economic, societal and environmental impacts of our operations over time.



## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

### FINANCIAL REVIEW

#### Revenue

The Group has recorded an annual revenue of RM1.53 billion for the financial year 2024 ("FY2024") as compared to RM1.91 billion for the financial year 2023 ("FY2023"), representing a decline of 20% year-on-year.

The drop in revenue was mainly due to a 22% drop in the average Crude Palm Oil ("CPO") price. Before inter-segments adjustments and eliminations, revenues from both plantation and milling operations have declined by 11% and 20% respectively as compared to the last financial year.

The Group's average selling prices and production of Crude Palm Oil ("CPO"), Palm Kernel ("PK") and Fresh Fruit Bunches ("FFB") for FY2024 and FY2023 of the Group are as follows:

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

	FY2024 (RM)	FY2023 (RM)	Change (%)
CPO	3,819	4,898	(22.03%)
PK	2,010	2,860	(29.72%)
FFB	712	920	(22.61%)

Sales quantity:-

Main palm oil milling products:	FY2024 (MT)	FY2023 (MT)	Change (%)
CPO	335,630	324,879	3.31%
PK	82,513	82,573	(0.07%)
<b>Plantation produce:</b>			
FFB: to own mills	283,360	242,909	16.65%
to external parties	46,237	44,078	4.90%
<b>Total</b>	<b>329,597</b>	<b>286,987</b>	<b>14.85%</b>

Note: CPO represents crude palm oil and is inclusive of palm oil production qualified under the International Sustainability and Carbon Certification ("ISCC") and/or Italian National Scheme ("INS").

#### Other Income

Other income for the year was recorded at RM17.58 million, which was RM4.05 million or 30% higher than the RM13.53 million recorded in FY2023. It mainly consisted of interest income of RM8.29 million (2023: RM6.71 million) which made up 47% (2023: 50%) of total other income.





## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

### Cost of Sales

The Group's total cost of sales has dropped by 22% or RM358.59 million to RM1.25 billion, corresponding to lower cost of FFB purchased by mills as raw material as a result of lower FFB price.

The production of CPO and PK, our major palm oil milling products, has decreased by about 4% and 6% respectively whilst the FFB production of our plantation operations has improved by 15%. The summary of production of major products by the Group is tabulated below: -

	FY2024 (MT)	FY2023 (MT)	Change (%)
CPO	317,607	330,968	(4.04%)
PK	77,197	81,763	(5.58%)
FFB	329,597	286,987	14.85%

### Unit Cost of Production of CPO

Under the palm oil milling operations, the unit cost of production (excluding raw materials) of CPO has increased to RM295 per MT of CPO which was 18% higher than RM250 per MT of CPO in FY2023. The surge in cost was mainly due to lower processing throughput, higher upkeep and maintenance cost for machineries as well as higher wages with the ongoing cost inflation.

However, the total unit cost of production (measured in terms of per MT of CPO production) has declined from RM2,150 to RM1,920, representing a drop of 11% which was mainly due to the drop in FFB production cost. Under the plantation operations, manuring cost per MT of FFB has dropped by 28% as compared to the preceding year whilst the FFB harvesting and collection costs per MT of FFB remain largely the same. Windfall profit levy absorbed by the Group during the year was RM3.36 million, a sharp decline of 72% as compared to RM12.12 million in FY2023, in light of lower CPO price.

### Finance Cost

Finance cost recognised in the income statement has increased marginally by 4% or RM0.09 million to RM2.49 million as compared to FY2023 mainly due to increase in interest rate chargeable by bank during the year. However, the impact of higher interest rate was partly offset by the reduction in outstanding bank borrowings.

### Profit before Tax ("PBT")

Although the Group experienced a 20% drop in revenue, the Group achieved a PBT of RM232.28 million for FY2024 which was only 8% lower as compared to RM252.44 million for FY2023. The 15% increase in FFB production has helped to cushion the negative impact on profit arising from lower selling prices.

### Taxation

The effective tax rate for FY2024 of 23.49% was slightly lower than statutory tax rate of 24%, mainly due to certain income not being subjected to tax and availability of reinvestment allowances.

### Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders of the Company has declined by 9% year-on-year to RM147.75 million as compared to RM162.26 million in FY2023.

As for the earnings per share, the Group achieved 15.25 sen for FY2024 as compared to 16.79 sen recorded in the preceding financial year.

### Cash Flows

The Group's cash and cash equivalents (excluding short term funds) as at year end dropped by 25% or RM59.55 million to RM174.35 million mainly due to additional investment of RM73.37 in short term funds.

The Group's investments in short-term funds have increased by 48% or RM78.44 million to RM243.32 million as compared to FY2023. It is expected that the investments in short-term funds would generate a higher return as compared to the conventional deposits with banks.

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 stood at RM417.67 million (2023: RM398.78 million).

### Dividend

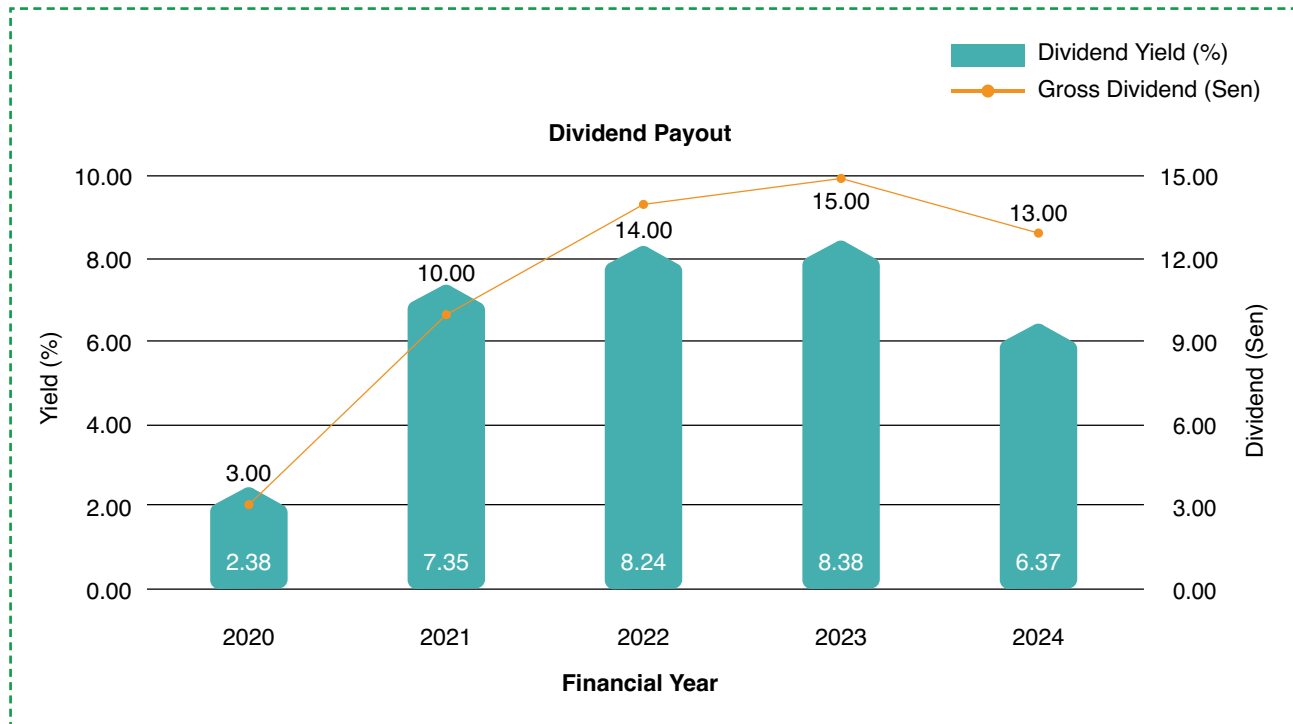
Although a lower profitability was recorded for the current financial year, the Company continues to reward its shareholders generously with a first interim dividend of 5 sen, a special dividend of 3 sen and a second interim dividend of 5 sen, making a total single tier dividend of 13 sen per share for FY2024 (FY2023: 15 sen per share).

The first interim dividend and special dividend of 5 sen and 3 sen each were paid on 15 November 2023 and 22 February 2024 respectively whilst the payment date for the second interim dividend for FY2024, declared on 26 March 2024, was 15 May 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

The dividend payout ratio for FY2024 is approximately 86% (FY2023: 90%) of the annual profit attributable to owners of the Company. With this we achieved a dividend yield of 6.37% based on the closing share price of RM2.04 at the end of the financial year. Over the past 5 years, the Group has recorded gross dividend yields that were far more attractive than returns from conventional deposits with bank, save for FY2020 when the performance was significantly impacted by low palm oil prices.



### SHARE PRICE PERFORMANCE

Our Company's share price performance for the period from February 2023 till 30 April 2024:



Source: Bursa Malaysia

During the financial year, the share price was traded between the range of RM1.73 to RM2.16 and closed at RM2.04 at the end of the financial year.

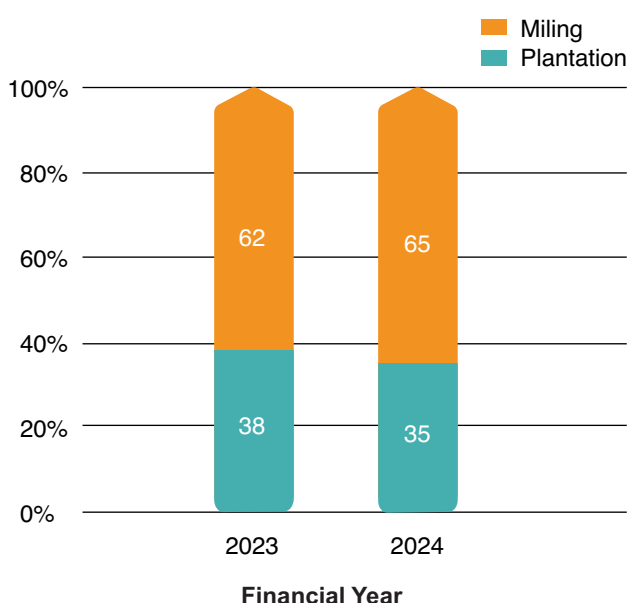
## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

### CAPITAL EXPENDITURE

The Group incurred capital expenditure of RM41.7 million in FY2024 which was slightly lower than RM44.4 million in FY2023. The capital expenditure incurred for the plantation operations of RM14.4 million was mainly for maintenance of immature replanted areas. The remaining RM27.3 million was incurred by the milling operations for the acquisition of new equipment upgrade and replacement, and capital expenditure in respect of Feed-in Tariff ("FiT") projects for supplying power to Sabah Electricity Sdn. Bhd. ("SESB") grid in Telupid, Sabah.

#### Allocation of Capital Expenditure



### REVIEW OF OPERATING ACTIVITIES

#### PALM OIL MILLING OPERATIONS

The Group's revenue from palm oil milling operations was RM1.49 billion, representing a 20% drop year-on-year, mainly caused by a 22% lower average CPO selling price during the financial year.

In terms of profit, the palm oil milling operations achieved a profit of RM110.92 million which was marginally higher than RM110.58 million recorded for the last financial year.

Despite a slight drop in the CPO extraction rate to 20.61% (FY2023: 20.75%), the operations have achieved satisfactory processing margin in the current financial year through competitive pricing and strategic marketing approaches. In addition, the Group has also benefited from high volume of FFB intake. Overall, the Group's mills have achieved near optimum utilisation of processing capacity with a throughput of 1.54 million MT of FFB during the current financial year, representing a marginal 4% drop as compared to 1.60 million MT in the last financial year.

Total CPO production for the year under review was 317,607 MT, which was 4% lower than 330,968 MT recorded in the last financial year. The market conditions and demand for the Group's main milling products have been strong and stable throughout the financial year.

The sale of CPO, the main product, was up by 3% to 335,630 MT as compared to 324,879 MT in the last financial year. As of the year end, the Group's CPO inventory stood at 7,700 MT (2023: 13,800 MT).

The average selling price of CPO of the Group for the current financial year was RM3,819 per MT which was 22% lower than RM4,898 per MT in the last financial year.

All the three (3) palm oil mills and two (2) palm-pressed fibre solvent extraction plants under the Group have passed the International Sustainability and Carbon Certification ("ISCC") audit and obtained ISCC certification for palm oil production categorised as Sludge Palm Oil ("SPO"). In addition, our three (3) palm oil mills also obtained certification from the Italian National Scheme ("INS") for SPO. With the ISCC and INS certifications, the Group can supply the certified SPO at better price point.

The extraction rate for CPO and recovery rate for PK for FY2024 and FY2023 are analysed as follows:

	FY2024	FY2023	Change (%)
<b>CPO:</b>			
KLR Group CPO extraction rate (%)	20.61	20.75	(0.67%)
Malaysia National CPO extraction rate* (%)	19.86	19.70	0.81%
<b>PK:</b>			
KLR Group PK recovery rate (%)	5.01	5.13	(2.34%)
Malaysia National PK recovery rate* (%)	4.84	4.86	(0.41%)

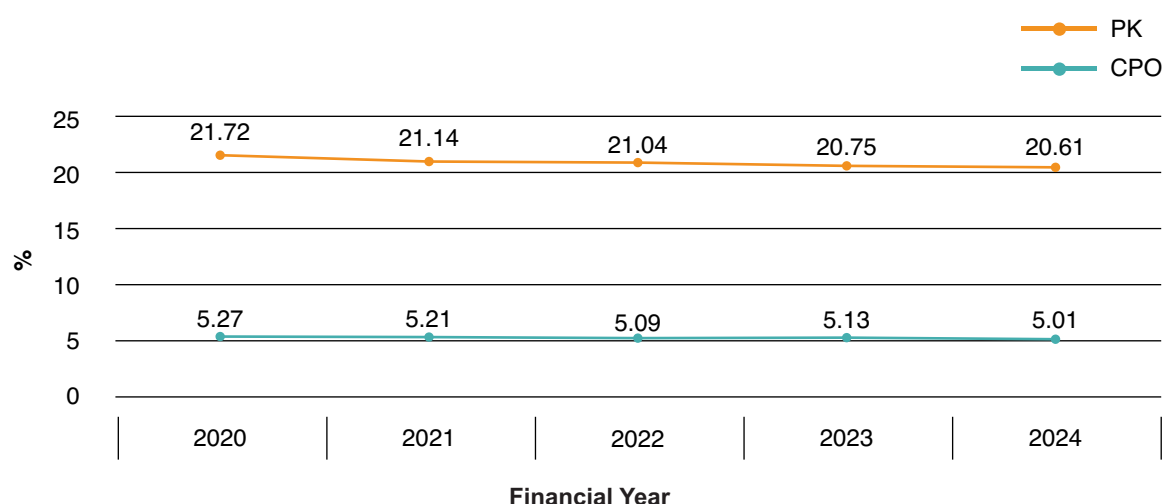
\* The statistics for Malaysia National CPO extraction and PK recovery rates are extracted from MPOB website based on calendar year 2023 and 2022 whilst the figures from KLR Group are based on its financial year (Feb-Jan).

## MANAGEMENT DISCUSSION AND ANALYSIS

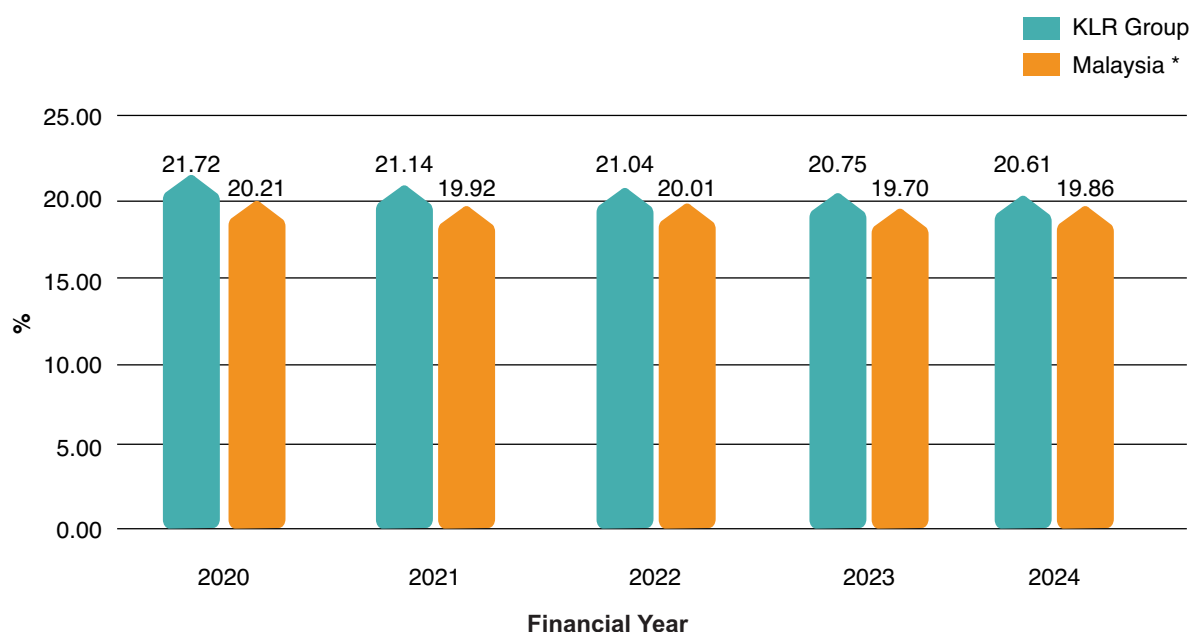
(CONT'D)

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



The Group's average CPO extraction rates have consistently 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 website based on calendar year 2019 - 2023 whilst the figures from KLR Group are based on its financial year (Feb – Jan).

Currently, all our three (3) palm oil mills have methane capturing facilities to reduce greenhouse gas emission into the 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 generator sets and minimised burning of palm kernel shell which can be made available for sales.



## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

In the current financial year, we recorded nearly 34 million (2023: 35 million) M<sup>3</sup> of greenhouse gas (GHG) captured which were then destroyed or repurposed to generate renewable energy for sales as well as to reduce our dependence on diesel power generator.

Besides supplying renewable energy for internal use in our own operations, the Group also participates in 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 ("MW"), has contributed revenue of RM5.76 million (2023: RM4.64 million) for the current financial year whilst the plant at Keningau mill, which has an approved net export capacity of 2.0 MW, has generated revenue of RM4.59 million over the same period.

Our plant in Telupid mill which was commissioned in FY2024 with an approved net export capacity of 1.5 MW, has commenced supply of power to SESB grid since December 2023. Income generated from this plant is not significant for FY2024, the plant is expected to contribute positively in terms of revenue and profit in the financial year 2025 after obtaining certification of plant efficiency from SEDA.

### PLANTATION OPERATIONS

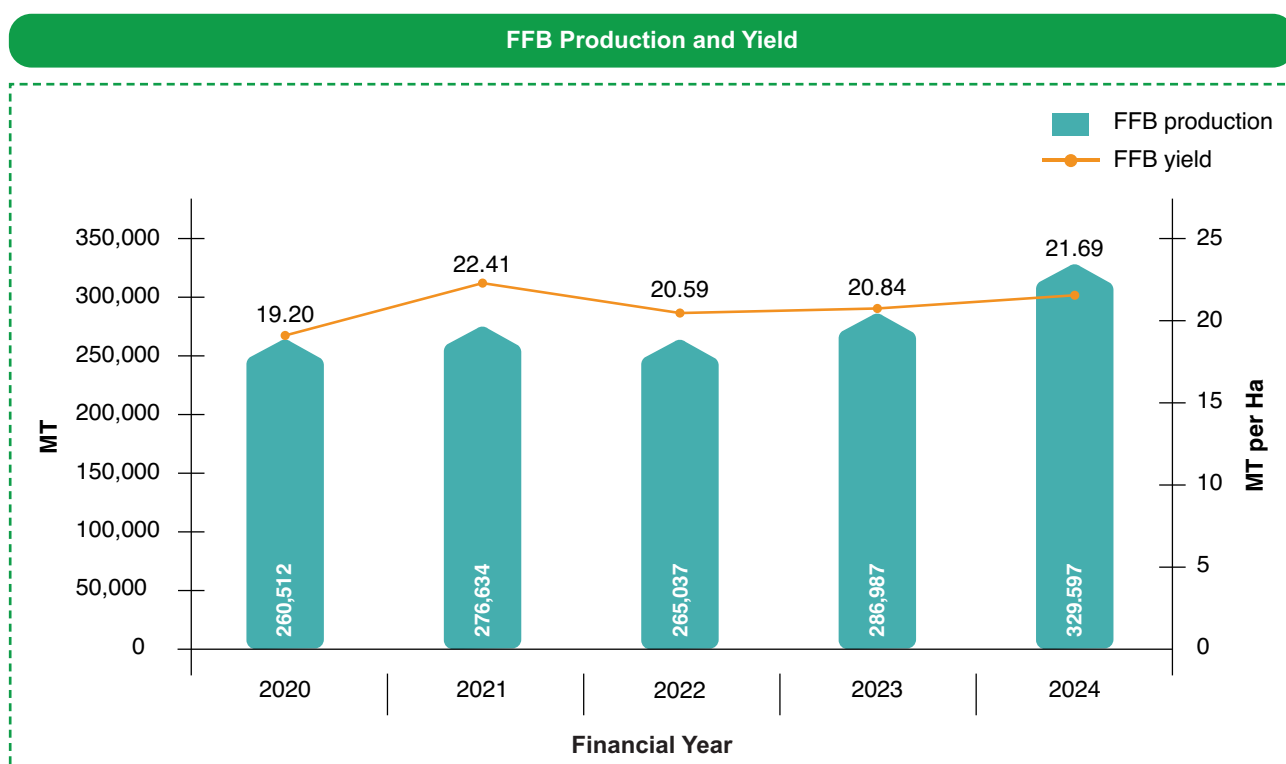
Revenue from plantation operations hit RM234.73 million, representing a decline of 11% or RM29.22 million, as compared to RM263.95 million in the previous financial year, mainly due to a 23% lower average FFB selling price despite a 15% increase in FFB production.

Our plantation operations turned in a profit of RM117.13 million which was 19% or RM28.06 million lower as compared to RM145.19 million recorded for the last financial year. The decline in profit was mainly due to lower average FFB selling price.

The Group's FFB production for the year under review was 329,597 MT in aggregate which was 15% higher than 286,987 MT achieved in the last financial year.

In terms of FFB yield per hectare, the Group achieved 21.69 MT for the current financial year which was slightly higher than 20.84 MT in the previous year. Lower increase in FFB yield per hectare was mainly due to the additional 1,270 hectares replanted area which came into maturity in the current financial year.

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:



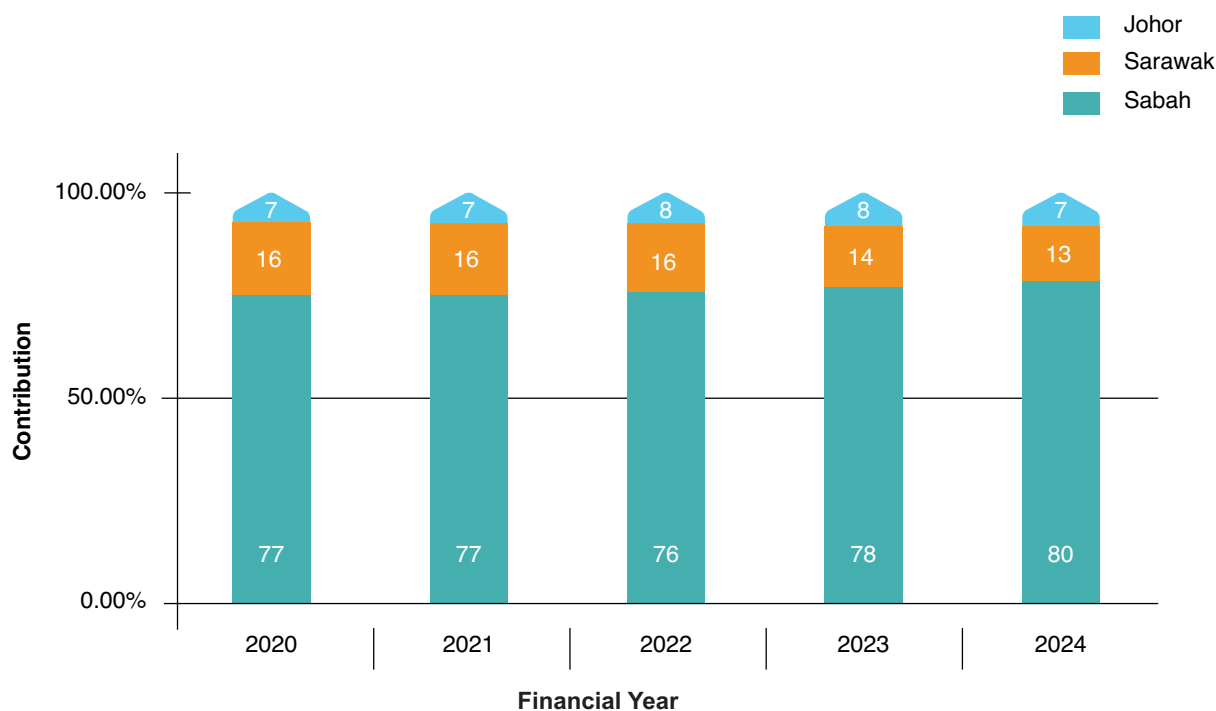
## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

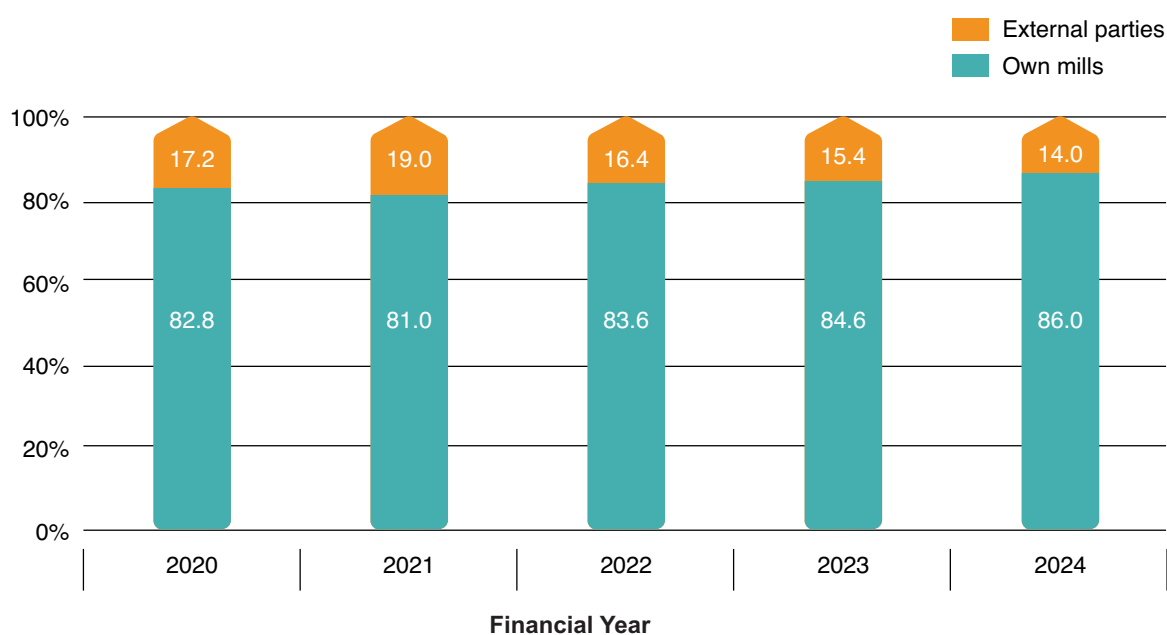
77% and 16% of the Group's productive areas are in Sabah and Sarawak respectively whilst the remainder is in Johor.

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

**Group's FFB production by estates location (by State)**



**Sales of FFB**



## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

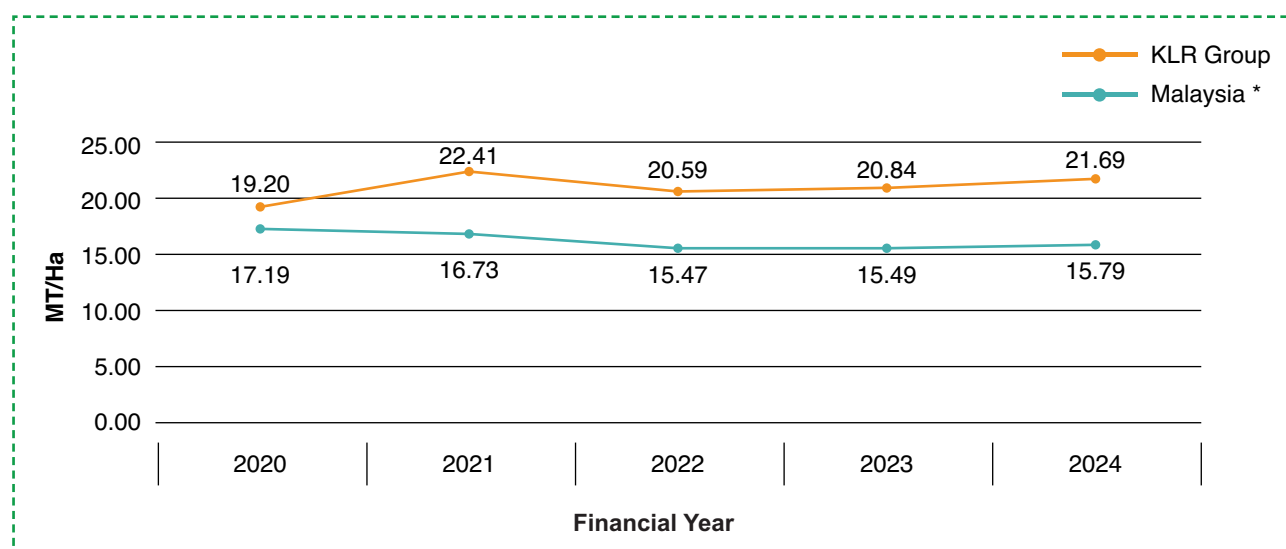
Our average oil yield per Ha for Sabah estates has improved to 4.86 MT per Ha in FY2024 as compared to 4.66 MT per Ha in FY2023 mainly due to better age profile and improved yield performance of young palms. As a result, we have recorded an improvement in the overall Group's average oil yield at 4.58 MT per Ha as compared to 4.40 MT per Ha in FY2023.

The yield per Ha analysis for FY2024 and FY 2023 can be analysed as follows:

	FY2024	FY2023	Change (%)
<b>FFB Yield:</b>			
KLR Group FFB Yield (MT per Ha)	21.69	20.84	4.08%
Malaysia National FFB Yield* (MT per Ha)	15.79	15.49	1.94%
<b>CPO Yield:</b>			
KLR Group Oil Yield (MT per Ha)	4.58	4.40	4.09%
Malaysia National Oil Yield* (MT per Ha)	3.14	3.05	2.95%

\* The statistics for Malaysia National FFB and CPO yields are extracted from MPOB website based on calendar year 2023 and 2022 whilst the figures from KLR Group are based on its financial year (Feb – Jan).

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



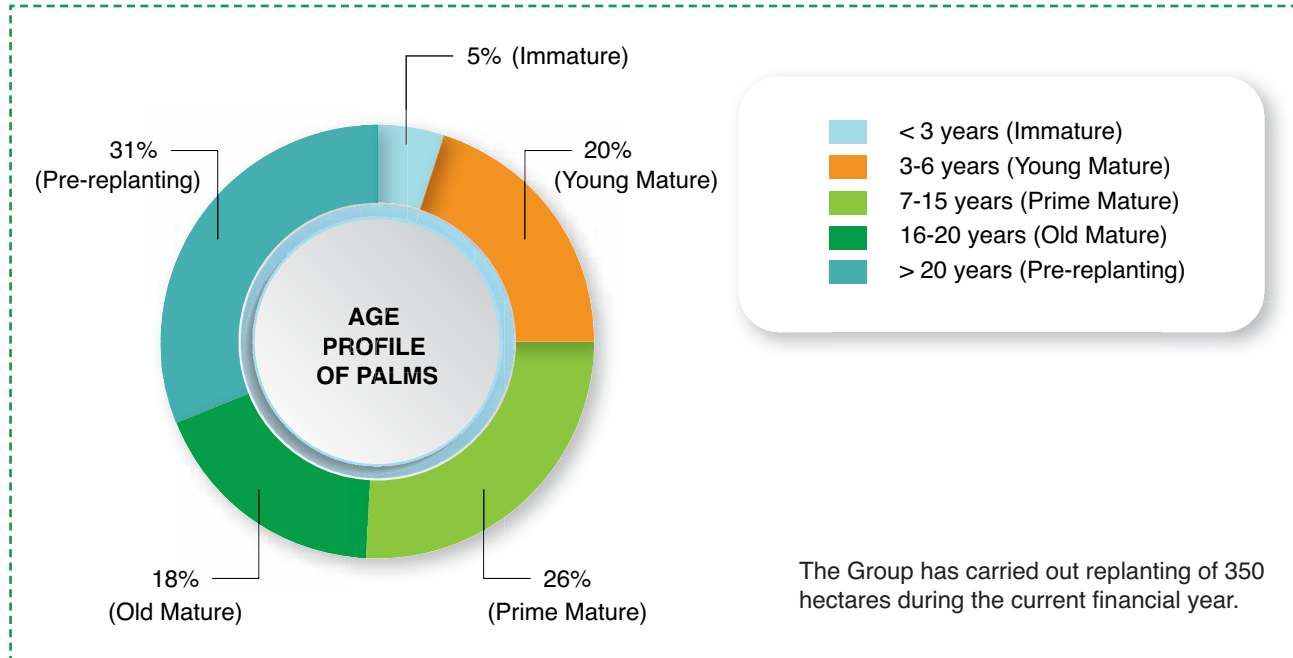
\* The statistics for Malaysia National FFB yield are extracted from MPOB website based on calendar year 2019 to 2023 whilst the figures from KLR Group are based on its financial year (Feb – Jan).

As of 31 January 2024, the Group's total planted area (excluding land for infrastructure, area under development and unplanted land) is 15,926 hectares with an average palm age of 15 years.

## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

### AGE PROFILE OF PALM (AS OF 31 JANUARY 2024)



### RISKS EXPOSURE AND MITIGATION

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

- Volatility in palm oil commodity prices as well as foreign currency exchange rate;
- Fluctuation in production of FFB due to seasonal cyclical as well as weather factors such as El Nino phenomenon;
- Demand in palm oil products that may be adversely affected by supply of alternative oils and fats worldwide;
- Policies of major importing and exporting countries;
- Shortage in skilled labour in plantation sector; and
- Increase in operation cost partly caused by upward 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. Having said that, challenges pertaining to recruiting sufficient local and/or foreign workers continue to persist and are some of the key industry-wide issues.

The Management constantly monitors the movements in palm oil commodity prices and may take necessary steps to mitigate unfavourable movements in commodity prices to reduce impacts on the Group's financial performance. To achieve this, the Group may use derivatives such as Futures and Swap contracts to hedge against potential cash flow risks faced by the Group arising from volatile commodity prices.

While the plantation is still a labour-intensive industry, the Group has made every effort to manage its operations with limited labour force, and where possible, to invest in mechanization and automation in its plantations as well as palm oil milling operations to reduce dependency on labour.

The Group observes industry 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, to achieve optimal operational efficiency in terms of both production quantity and quality.



## MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

### DEVELOPMENT AND PROSPECTS

#### Plantation operations:

In order to achieve long-term sustainable production and optimum palm age profile, the Group has resumed replanting activity in 2023 and targets to replant about 1,000 hectares per year in coming years.

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 2025, the Management targets to achieve FFB production of at least 5% higher than the quantity achieved in FY2024, taking into accounts better age profile of young palms productive area and on-going replanting program.

The Management is of the view that the Group's plantation operations will continue to perform well if the average CPO price stays around the RM4,000 per MT level for the financial year 2025.

#### Milling operations:

The Management targets to achieve a total processing throughput of 1.6 million MT of FFB for the financial year 2025. In addition, the Management targets to maintain its milling oil extraction efficiency in the financial year 2025.

Revenue and profit from supply of renewable energy to national grids are projected to increase in the financial year 2025 after our third commissioned biogas plant in Telupid, Sabah obtains the required certification from SEDA.

As the palm oil prices are still volatile in general, the Management expects the milling operations to perform satisfactorily on the grounds 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 as compared to a plantation.

#### General:

The plantation industry outlook remains challenging given the price volatilities, labour shortages, inflationary pressures, persisting weather extremities, and biofuel policy changes in other countries, amongst other developing issues, on a backdrop of escalating geopolitical tensions and global economic slowdown.

Given the above, the Management will continue to be vigilant in monitoring the development of all the key risks facing the Group and will endeavor to mitigate any adverse impact on its operations and deliver a satisfactory performance for the financial year 2025.



# SUSTAINABILITY STATEMENT



This Sustainability Statement provides an overview of the Group's Environment, Social and Governance ("ESG") impacts, and the policies and practices we have enforced to address and mitigate them. We have taken and will continue to take the necessary actions to recalibrate and eventually align our activities to meet the requirements of the Malaysian Code of Corporate Governance 2021 and Bursa Sustainability Guidelines 2022: areas where the Group are in transition to conform are highlighted in this Statement and our Corporate Governance Overview Statement.

This Sustainability Statement covers all our operational and management activities within the KIM LOONG RESOURCES BERHAD ("KLRB") Group. This report focuses mainly on updates and activities carried out within the financial year 31 January 2024 with comparable prior year statistics, where applicable and available.

## Independent Assurance

KLRB has not sought third-party assurance for the content of this report. However, the Assurance and Governance Department has reviewed the statistics provided herein and is satisfied that the statistics are supported with underlying records and/or arrived at based on management's judgement.

## Feedback

If you have any comments or questions regarding the contents of the Sustainability Statement please contact us at [investor-relations@kimloong.com.my](mailto:investor-relations@kimloong.com.my).

## Sustainability Statement FY2024

This Sustainability Statement ("Statement"), prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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 2024, 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 Group, via its Board of Directors ("Board"), is mindful of the need to have, and supports a growth strategy that incorporates sustainable development and management.

# SUSTAINABILITY STATEMENT

(CONT'D)

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





# SUSTAINABILITY STATEMENT

(CONT'D)

## 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, is supported by a working group comprising members of the RMSC 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 disseminated to the Board for notification and comments, as case may be.

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



Board of Directors	<ul style="list-style-type: none"> <li>Evaluates the Group's overall sustainability strategies, direction and agenda.</li> <li>Conducts the final review and approval on sustainability matters relating to the Group.</li> </ul>
Managing Director	<ul style="list-style-type: none"> <li>Drives and monitors the implementation of the Group's sustainability strategies, direction and agenda.</li> <li>Approves sustainability strategies and framework.</li> </ul>
Risk Management & Sustainability Committee ("RMSC")	<ul style="list-style-type: none"> <li>Evaluates overall sustainability risks and opportunities and develops the sustainability strategies with agenda for implementation.</li> <li>Monitors implementation of sustainability programs to ensure compliance by all departments at operational level.</li> <li>Resolves critical or major sustainability issues that may impact the Group.</li> <li>Periodically reviews the progress of sustainability implementation and reports to the Board.</li> <li>Reports to the Board of any unresolved critical sustainability issues.</li> </ul>
Working Group (Plantation)	<ul style="list-style-type: none"> <li>Supports and promotes effective implementation of the sustainability strategies through regular monitoring, reviewing, and improving sustainability practices in all plantations.</li> <li>Ensures resources and procedures are in place to achieve its sustainability commitments and targets.</li> <li>Continuously improves the management system to meet Malaysian Sustainable Palm Oil ("MSPO") Standard.</li> <li>Periodically reports to RMSC on the progress of sustainability implementation in plantation.</li> <li>Reports to RMSC of any critical or major sustainability issues in plantation.</li> </ul>
Working Group (Milling)	<ul style="list-style-type: none"> <li>Supports and promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in mills.</li> <li>Ensures resources and procedures are in place to achieve its sustainability commitments and targets.</li> <li>Continuously improves the management system to meet the requirements of MSPO, ISCC and other Quality Management Systems.</li> <li>Periodically reports to RMSC on the progress of sustainability implementation in mills.</li> <li>Reports to RMSC of any critical or major sustainability issues in mills.</li> </ul>

## STAKEHOLDER ENGAGEMENT

### Our Stakeholder Engagement and Prioritisation

Stakeholder engagement forms a vital part of the Group's sustainability blueprint, as it enables the Group to identify material sustainability issues and facilitates the formulation of responsive sustainability strategies. A key process in the Group's stakeholder engagement efforts is its stakeholder identification process which is based on an exercise of identifying key external and internal stakeholders which have substantial impact on the Group or upon which the Group has substantial impact. The Group's businesses have a relatively wide reach and may affect not only commercial stakeholders but also communities and other entities whom may have non-financial interest arising from the Group's activities.

Through continuous strategic engagement with our key stakeholders, we are able to understand their expectations and appropriately address such expectations in manners which support the Group's sustainability agenda. The stakeholder identification and prioritisation process are carried out by the RMSC and key Management personnel.



# SUSTAINABILITY STATEMENT

(CONT'D)

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 FY2024 and our responses to these concerns.



## EMPLOYEES

### Why We Engage

We keep our employees informed of our strategic priorities and ensure our workforce is empowered with the right workplace settings, culture and tools to drive performance excellence.

### Key Concerns

- Work-life balance
- Workforce development
- Healthy and safe work environment
- Social issues
- Decent living conditions
- Decent living wages

### Engagement Platforms

- 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

### Our Response

- Enhance better understanding and awareness among employees on Group Policies, sustainability requirements and compliance.
- Improve mechanism for channelling complaints and grievances.
- Stricter enforcement on Safety Policy and more OSH and relevant Safe Operating Procedures training.
- Stringent sanitary requirement in the workplace and living quarters.



## DIRECTORS

### Why We Engage

Overseeing management's stakeholder engagement program.

### Key Concerns

- Progress of sustainability matters
- Group's performance
- Strategic planning
- Concerns raised by other key stakeholders

### Engagement Platforms

- Board meetings
- Site visits

### Our Response

- Better understanding of Group's sustainability progress and initiatives.
- Disseminate Group's performance reports and strategic plans on a timely basis.
- Appropriately respond to and address other key stakeholders concerns.



## CUSTOMERS

### Why We Engage

Our customers play an important role in our business growth. We interact with customers to be able to understand their expectations and deliver quality products.

### Key Concerns

- Products and services quality and ethical business practices
- Biodiversity & conservation, greenhouse gas ("GHG") emissions, discharges and waste management, high carbon stock, peat development
- Human and workers' rights, social welfare and OSH

### Engagement Platforms

- Meeting with management
- Dialogue sessions
- Email
- On-going internal and external meetings
- Conferences/forums/seminars
- Site visits
- One to one meeting
- Contract negotiation

### Our Response

- Create awareness of the Group's commitment to sustainability
- Promote better understanding of our policies, cultures and values

# SUSTAINABILITY STATEMENT

(CONT'D)



## SUPPLIERS & CONTRACTORS

### Why We Engage

We expect our suppliers and contractors to deliver high quality products and services for our business chain to function effectively and efficiently.

### Key Concerns

- Licensing and certification, ethical practices, vendors development, occupational safety and health, products and services quality
- Deforestation, high carbon stock, peat development
- Workers' rights, social welfare and OSH.
- Product quality

### Engagement Platforms

- Meetings with the management
- Visits to estates and mills
- Contract negotiation
- One-to-one meeting
- Stakeholders meeting

### Our Response

- Raise awareness of the Group's commitment to sustainability
- Better understanding of the Group's business activities
- Adopt industry standard contractual terms (e.g., timely payment)
- Practice good work ethics
- Provide tender briefing on case-to-case basis



## SHAREHOLDERS & INVESTORS

### Why We Engage

Shareholders provide us with the financial capital needed to sustain our growth. We engage with our shareholders for the opportunity to align our business practices with their expectations which helps us drive long-term sustainability and shareholder value.

### Key Concerns

- Return on investment, market presence, succession planning, sustainable practices, and company reputation.
- Free, Prior Informed Consent ("FPIC")
- Group's financial and operating performance
- Risk management and internal control system
- Corporate governance and reporting standards

### Engagement Platforms

- Annual General Meeting
- Quarterly reporting
- Annual report
- Sustainability report
- Analyst briefings
- Announcements
- Company website

### Our Response

- Maintain good investor relation.
- Provide constructive feedback to investors' queries.
- Maintain good corporate brand and reputation with consistent business performance and adoption of sustainable shareholders' returns and dividend pay-out.



## GOVERNMENT AGENCIES, REGULATORY AND CERTIFICATION BODIES

### Why We Engage

We actively engage with regulatory authorities on matters that impact our business and operations.

### Key Concerns

- 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 suppliers / contractors' sustainability commitment.

### Engagement Platforms

- Dialogue sessions
- Formal meetings
- Periodic reports
- On-site inspections and audits
- Attends workshops and trainings
- Meeting with the regulators
- Correspondences with regulators on requirements
- Stakeholders meeting

### Our Response

- Develop and improve internal guidelines / policies.
- Collaborate with relevant agencies with common objectives on shared agenda.
- Comply with all regulations and guidelines.
- Support and contribute to the development of national sustainability standards.

# SUSTAINABILITY STATEMENT

(CONT'D)



## SMALLHOLDERS AND LOCAL COMMUNITIES

### Why We Engage

We foster mutually beneficial relationships with the community and care for the environment in which we operate to support the community and protect the environment.

### Key Concerns

- Community investment and partnerships
- Pollution prevention and preservation of biodiversity and natural resources
- Employment opportunities
- Safety and security as well as support for local businesses

### Engagement Platforms

- On-site meetings
- MSPO complaints and grievances
- Kim Loong whistleblowing channel
- Community Development Program
- Awareness briefing
- Meetings
- Circulars/notices
- Dialogue session
- One-to-one communications
- Stakeholders meeting
- Community out-reach activities and development program

### Our Response

- Conduct social impact assessment
- Established human rights policy
- Strive for amicable solutions on conflicts and grievances
- Give priority to employing qualified and eligible local
- Contribute and donate to community needs and development



## BUSINESS PARTNERS / ASSOCIATES

### Why We Engage

We continuously engage and build good relationships with our business partners to support the growth of the respective businesses.

### Key Concerns

- Company performance
- Ethical business practices
- Good governance and continuous value creation

### Engagement Platforms

- Business meetings
- Strategic dialogues
- Conferences/forums
- Operational site visits

### Our Response

Continuous engagement for mutual benefits.

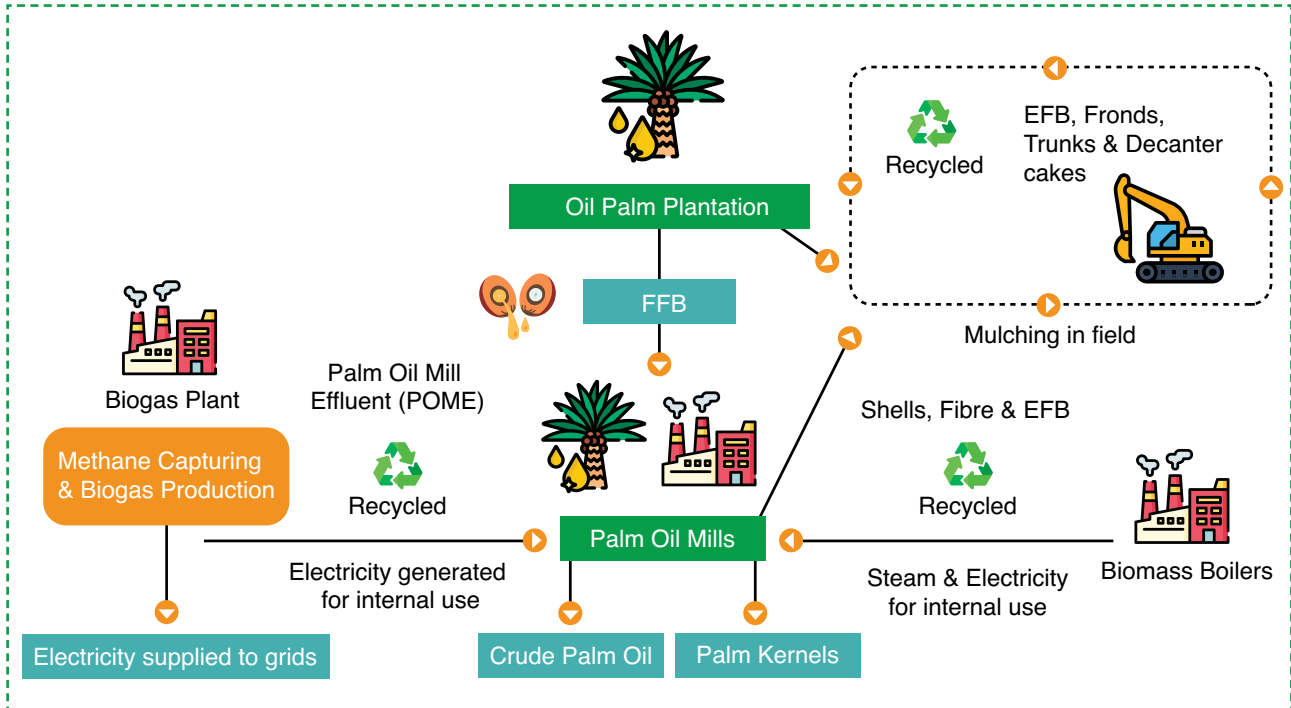
Feedback from engagement with key stakeholders is considered in identifying material sustainability risks and opportunities; and outcomes of which are incorporated into the Group's sustainability strategies.



## SUSTAINABILITY STATEMENT

(CONT'D)

### OUR VALUE CHAIN



### SUSTAINABILITY CERTIFICATIONS

In response to various socio-environmental issues linked with oil palm plantations – such as deforestation, loss of biodiversity, and the displacement of local communities – a number of guidelines have been developed to aid in the production of sustainable palm oil. Producers that adhere to these schemes are audited and certified as means of demonstrating sustainability of their produce.

We believe that maintaining these standards is crucial for us to be a reliable, responsible and sustainable producer of quality palm oil and related products.

#### Integrated Management System ("IMS")

Both our Keningau and Telupid Mills have obtained the IMS for Environmental Management (ISO 14001) and Occupational Health & Safety Management (ISO 45001) systems. During the audit by the Certification bodies, no major observation was noted. Areas of improvement that were highlighted were rectified.

#### Malaysian Sustainable Palm Oil ("MSPO")

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





## SUSTAINABILITY STATEMENT

(CONT'D)

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, NIOSH Certification Sdn. Bhd. and SIRIM QAS International Sdn. Bhd., we have conducted our internal audit and management review of our MSPO. TUV NORD CERT GmbH is the Certification Body for our International Sustainability and Carbon Certification ("ISCC") compliance. We have to-date, addressed all the findings and areas for improvement highlighted by the auditors.

### MSPO

There are seven principles in the MSPO Standards; these principles 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

### ISCC

ISCC is a multi-stakeholder initiative with the multi-pronged objective of reducing greenhouse gas (GHG) emissions, promoting sustainable use of land, protecting natural biospheres and achieving social sustainability. The ISCC standard ensures compliance with the requirements of the European Union, Renewable Energy Directive and Germany's Sustainability Ordinance.

All the three (3) palm oil mills and two (2) palm-pressed fibre solvent extraction plants under the Group have passed the ISCC audit and obtained ISCC certification for palm oil production categorised as Sludge Palm Oil ("SPO"). In addition, our three (3) palm oil mills also obtained certification from the Italian National Scheme ("INS") for SPO.

### 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:

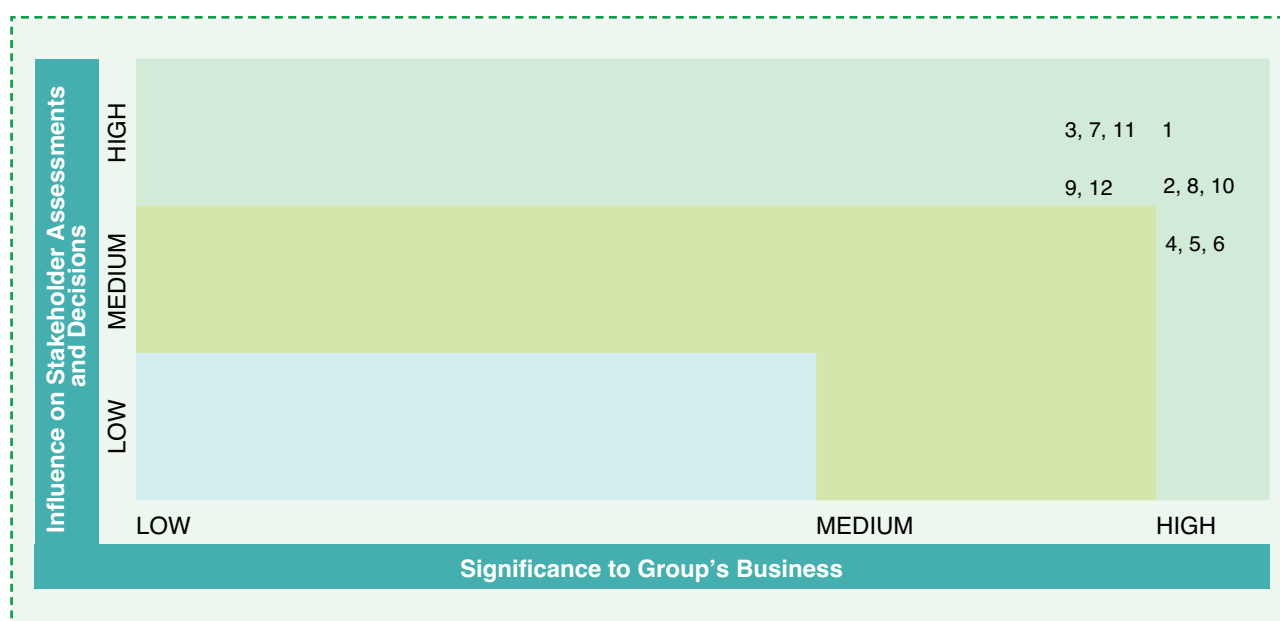
- reflect an organisation's significant Economic, Environmental and Social impacts; or
- substantively influence the assessment and decisions of stakeholders.

Accordingly, we believe that the results for FY2024 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 via Bursa Malaysia's Materiality Assessment Toolkit. We considered the impact of relevant matters to the business and the importance of each matter to our stakeholder groups.

# SUSTAINABILITY STATEMENT

(CONT'D)

All relevant matters identified below are material to our operations and are managed with prudent planning and execution. We have grouped our matters into the following themes:



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.

# SUSTAINABILITY STATEMENT

(CONT'D)



## 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.

### 1. EFFLUENT MANAGEMENT

Palm Oil Mill Effluent ("POME") is a significant by-product of processing FFB. Without appropriate treatment, the effluent may be detrimental to the environment. We understand the importance of managing our environmental impact by appropriately handling our effluent and water discharge.

Therefore, 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 officers from Department of Environment ("DOE") come for regular site inspection and collects effluent sample at final discharge point for analysis.

Sample of industrial effluent are collected to determine whether the quality of our palm oil mills' final discharge complies with the requirements. To date, all relevant reports have shown compliance with the applicable environmental requirements.

The details of the POME produced during the financial year by our palm oil mills are as below:

	FY2024	FY2023
POME produced (MT per MT of FFB processed)	0.62	0.64
Greenhouse gases captured (M <sup>3</sup> per MT of FFB processed)	22.18	21.98

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

### 2. WASTE MANAGEMENT

Cultivation and processing of oil palm may produce a certain amount of organic wastes. We are taking proactive actions to avoid polluting the environment by setting up waste management plan to manage the waste generated from all oil palm estates and palm oil mills in an effective manner. The Group strives to minimise waste generation through reducing, reusing and recycling of materials in its operating activities whenever feasible.

The way we manage our waste influences our environmental footprint and our social license to operate. Hence, we observe strict internal controls in waste management to prevent mishandling and to ensure adherence to relevant laws and regulations.

#### Domestic Management

The production of solid waste and its responsible disposal is a material issue for the plantation as there does not exist municipal waste collection and disposal of waste by dumping in a common dumping pit and most of the wastes ending up in landfills.

We monitor our waste collection schedule and practice responsible waste management with waste reduction and disposal procedures.

#### Single Use Plastic

The Group encourages the discontinuation of single use plastic by increasing awareness amongst its employees. Employees are encouraged to opt for reusable alternatives instead of reaching for single use plastic. Water dispensers, reusable water and food containers and locker rooms to store these reusable items are provided to facilitate the change in habit.

#### Hazardous Waste Management

We take the necessary measures to ensure that all scheduled waste ("SW") produced by our derivatives are collected and disposed of in accordance with the guidelines and regulations set forth by the DOE, which include the Malaysia Environmental Quality (Scheduled Waste) Regulations 2005 (Amendment) 2007.

# SUSTAINABILITY STATEMENT

(CONT'D)

The assigned competent person at our operation sites will periodically submit reports through the DOE online reporting system (Electronic Scheduled Waste Information System).

Hazardous materials generated from our operations include: used lubricants, used rags, used batteries, used filters, empty paint cans and printer cartridges, and needles from health clinics.

These hazardous wastes are safely segregated, labelled and stored. As precautionary measures, our storage facilities are equipped with accidental spill containment kits, firefighting gears, shower/eyewash and first aid kits.

The details of scheduled waste generated by our Milling operations are as follows:

Types of Scheduled Waste	FY2024 (%)	FY2023 (%)
Used Oil	72.77	74.73
Used containers	14.47	10.92
E-Waste	1.02	6.52
Other scheduled waste	11.74	7.83
Total	100.00	100.00
Total waste generated (MT)	66.80	29.89

We also 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 competent to monitor and ensure that hazardous waste management practices are in accordance with the relevant rules.

For our estate, there is at least one person trained to perform the task. The Safety and Health Officer from our mills will conduct periodic spot check on SW at the estates to ensure compliance to the regulations. A competent Occupational Safety and Health Co-ordinator has been placed in each estate.

## Biomass Residue

The Group follows waste management best practice for our palm oil estates and 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 recycled or re-used as energy or fuel and composed or mulched as organic fertiliser. EFB is applied as mulch to conserve moisture, improve soil fertility, and minimise weed growth.

The production of biomass residue is positively correlated with the production of CPO and Palm Kernel. At present, we are able to measure some of our biomass residue.

Biomass residue is a by-product of FFB processing, which in turn are excellent sources of natural energy and fertiliser. Highlighted below is our performance data on biomass residue. We re-utilised almost all our EFB. The details of the production are as follows:

	FY 2024 (MT)
Empty Fruit Bunches	291,312
Palm Kernel Shells	97,499
Palm Fibres	231,110

Methods of re-utilisation of biomass residue includes:

- Mulching biomass residue and organic fertiliser in the plantations
- Re-use of biomass residue as a source of fuel for the boiler system
- Sold to other industries to be re-used as sources of renewable fuel

Other forms of biomass residue (trunks and pruned fronds) are recycled as organic fertiliser.

## Emission from the Boilers

We monitor our boiler emissions via the Continuous Emissions Monitoring Systems ("CEMS"), which is implemented as part of local environmental regulations. The system monitors and concurrently updates the DOE on the contents of our emissions.

## 3. WATER MANAGEMENT

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 at our estates and palm oil mills and how this can be repositioned in the broader context of overall water resources management and water security.

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 as one of the key input to our biogas power plant.



# SUSTAINABILITY STATEMENT

(CONT'D)

The water consumption statistics for our palm oil mill are as below:

## RAW WATER USED BY MILLING OPERATIONS

Source	FY2024 %	FY2023 %
Raw water obtained from surface water	99	99
Raw water purchased from third parties	1	1
	100	100
Consumption of water (m <sup>3</sup> ) / per MT of FFB processed	1.2	1.1

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, water conservation pits are constructed where practicable 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 are taken to set up water treatment plant to process and supply clean water safe for human consumption. Collection of water sample is carried out at least once a year to test water quality to ensure that it is safe for drinking and other daily usage.

Workers' housing are fitted with tanks to store harvested rain water which is especially beneficial during periods of prolonged dry weather.

## Water Sampling

We take our responsibility of preventing contamination of the rivers due to effluent and water discharge from our operations seriously. 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.

## 4. BIODIVERSITY AND CONSERVATION

As a member of the agricultural industry, we understand our role and responsibility to preserve and support the sustainability of surrounding ecosystems and its biodiversity. We have therefore implemented practices and controls to minimise our impact on the environment.

The Group is committed to comply with all applicable environmental laws and regulations. In Sarawak, the Natural Resources and Environment Board ("NREB") conducted several site inspections to our oil palm estates.

## Riparian Reserves

Riparian reserves are areas of conservation between land and rivers teeming with life from the habitats of flora and fauna. In order to support the existing ecosystem on these reserves and thereby maintaining the surrounding water and soil quality, it is crucial that these reserves be identified and conserved. 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. In addition, LCC helps to improve the growth of oil palm by preventing weed growth and increasing the fertility of soil by supplying organic matter.

## SUSTAINABILITY STATEMENT

(CONT'D)

### High Bio-diversity Assessment (“HBV”)

The Group has conducted several biodiversity assessments at unplanted areas to assess Rare, Threatened or Endangered (“RTE”) biodiversity and ecosystem for our oil palm estates in accordance with the International Union on Conservation of Nature and Natural Resources (IUCN) Red List, Appendix 1 of Convention on International Trade in Endangered Species (CITES) and protection status assessed according to Wildlife Protection Ordinance 1998 (WLPO) with the purpose of collecting information for improving management decision to ensure long term protection of flora and fauna in our concession and its surrounding.

The HBV assessments 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 to protect 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 updated and relevant.

### Environmental Impact Assessments

Prior to every replanting exercise, we perform extensive Environmental Impact Assessments (“EIA”) via third party consultants. EIA is performed with the aim of minimising adverse environmental impact from our replanting activities. For this reason, criteria considered in an EIA report includes:

- soil erosion/slope stability and soil conditions
- water and noise pollution
- potential loss of flora and fauna and their habitats
- waste disposal
- impact of replanting and abandonment
- socio-economic and ecological impact
- safety and health

Results of the EIA are reported to the DOE. We take into consideration the EIA and a number of other factors before a replanting exercise is performed. This includes the age of the oil palm, FFB yield, height of palm and areas with very low palm stands.

### 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 smokefree 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.

Awareness of our zero burning policy is enhanced by erecting signages and initiating dialogs with the employees during briefing and local communities during the stakeholders meetings.

### Soil Protection and Preparation During Replanting

Palms are replanted in a cycle of every 20-25 years. During this replanting phase the old palms need to be removed, the ground prepared and the new palms replanted. Measures to maintain soil health and protect the soil from erosion, compaction and run off are critical during this time.

The Group adopts strict and prudent sets of replanting procedures, which include:

- Soil Decompaction: During the land preparation stage soils are decompacted by ripping and ploughed in order to ensure that our seedlings and cover crop find the best condition to grow.
- Cover-crops: A lot of effort is given to the establishment of cover-crop to ensure there is no exposed soil. Cover-crop helps in covering the soil, limiting erosion and improving moisture retention. In addition, a well thought out good cover-crop will prevent the rise of invasive weeds such as woody growth and grasses which in turn reduces the need for maintenance and chemical operations and further protects the soil.
- Terracing: In cases of specific steep terrains, contour terraces are built to prevent soil erosion and improve access for the workforce and evacuation of the production.

### 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: [www.kimloong.com.my](http://www.kimloong.com.my) for access by shareholders and investors.

# SUSTAINABILITY STATEMENT

(CONT'D)

## 5. INTERGRATED PEST MANAGEMENT ("IPM")

IPM is a component of Good Agriculture Practise ("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 in our Group's estates.
- Use of pheromone traps to minimise damage to young palms by rhinoceros beetles.
- Shredding felled trunks into chips of acceptable size to suppress the breeding of 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. 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.

### Surveillance and Monitoring of Pest Outbreaks

Regular surveillance and monitoring of pest outbreaks is key to minimising both the economic impact of pest and the environmental impacts from excessive use of pesticides. Treatment is therefore only carried out when the damage exceeds established critical thresholds.

The Field Conductors are trained on spotting pest outbreak by carrying out visual inspection. When an area is identified as high risk, the census team will be deployed to survey the extent of pest infestation. Where possible technology is applied to support and improve the effectiveness of our pest outbreak surveillance and monitoring process. This may include the deployment of a drones to check on pest build-up.

## 6. NO DEFORESTATION, NO PEAT AND NO EXPLOITATION COMMITMENT ("NDPE")

We work closely with a wide range of industry stakeholders to implement our NDPE commitments in relation to:

### No Deforestation

- a) To ensure protection of areas with High Conservation Value ("HCV") and High Carbon Stock ("HCS") by identifying and protecting these areas through activities benchmarked to the relevant national, industry and international best practice.
- b) Any plantation development activity must identify HCV areas and HCS forests for protection utilising international best practice guidance.
- c) Where feasible, explore options for natural forest restoration by working with expert stakeholders and communities.

### No New Development on Peat

- a) Any new development will have to undergo HCV and HCS assessments in line with the National and State Agricultural Land Use Policy.
- b) Best Management Practices for existing plantation on peat will be stringent and aligned with national, industry and international best practices, which includes guidelines provided by MPOB. Additionally, peat land management shall follow good agriculture practices laid out in our policies, codes and SOPs.
- c) Where feasible, explore options for peat restoration by working with expert stakeholders and communities.

### No Exploitation of People and Local Communities

To ensure no exploitation issues, we concern ourselves with:

- a) Upholding human rights.
- b) Providing safe and healthy workplace.
- c) Enhancing employee welfare and promoting career development.
- d) Respecting and upholding land rights.
- e) Creating shared value for local and national growth.

## SUSTAINABILITY STATEMENT

(CONT'D)

### 7. REDUCTION OF GREENHOUSE GAS (“GHG”) EMISSION

GHG emission from oil palm operations are mainly in the form of carbon dioxide (CO<sub>2</sub>) and a smaller amounts of methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). These gases contribute to global warming when released during the operation of oil palm plantation, combustion of fossil fuel, and generation of palm oil mill effluent (“POME”).

The Group has successfully implemented three (3) methane capture and power generation projects at its three (3) mills. These projects are part of the Group’s effort to reduce greenhouse gas emissions as well as supply renewable energy (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. The Group has through the operation of the biogas generation plants been able to generate energy from waste material and biomass. This contributes towards reducing our environmental impact and improve sustainability of the Group’s operation.

Capital investments have been made for pollution controls such as capturing GHG, reducing dust concentration emitted, improving POME treatment efficiency and quality of POME discharged. The estimated cost of investment is approximately RM26 million.

The details of renewable energy generated by the Group using biogas and biomass are as follows:

	FY2024 (MWh)	FY2023 (MWh)
Biogas:		
Internal use	8,577	6,816
Supplied to grids	25,642	10,674
Biomass:		
Internal use	46,170	41,894
Total renewable energy generated	80,389	59,384





# SUSTAINABILITY STATEMENT

(CONT'D)



## SOCIAL

### 8. HUMAN CAPITAL MANAGEMENT

The Group believes that sustainable growth in our business comes hand in hand with good operational performance in aspects such as safety, productivity, cost effectiveness, and reliability. We have, therefore invested and will continue to invest foremost in our people to drive operational excellence.

#### Facilities provided to all Employees (based at our Plantations and Mills)

**ALL**
**HOUSES WITH  
GARDEN PLOTS**

**5**
**TRAINED NURSES  
OR HOSPITAL  
ASSISTANT**

**3**
**VISITING  
MEDICAL OFFICERS**

**5**
**COMMUNITY  
HALLS**

**22**
**PLACES FOR  
WORSHIP**

**2**
**HUMANA SCHOOLS**


The Group aims to create a positive work culture and environment where its employees are able focus on operational performance and excellence. We also promotes a continuous learning culture amongst our employees to enable them to move up the skill value chain.

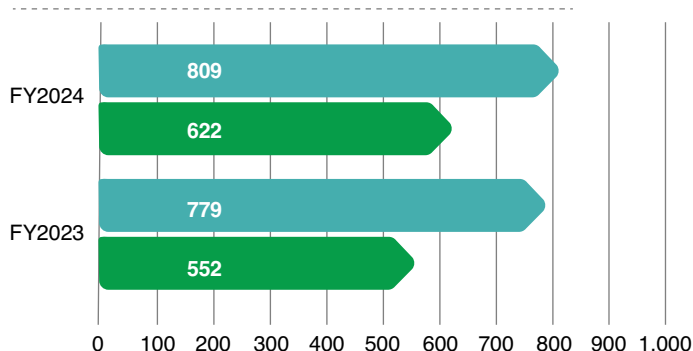
We have invested heavily to better our employees' welfare by providing improved employee housing, free/subsidised electricity and water supplies to estates and mills housing; and free education for our employees' children residing in plantations and mills. Facing the challenges brought about by severe labour shortages, the Group has responded with the appropriate employees recruitment and retention measures. Due to the intense competition amongst plantation companies in recruiting estate workers, our Group offers attractive and fair recruitment packages. A Policy on Responsible Recruitment was introduced to show our commitment.

#### OUR EMPLOYEES PROFILE

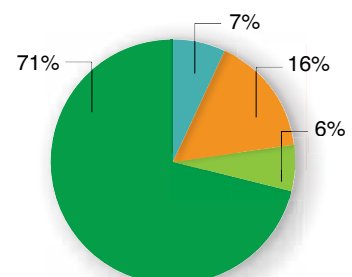
##### Nationality (number of person)

Malaysian  
Foreigners

Total: FY2024 = 1,431  
FY2023 = 1,331



##### Employment Categories (%)



Managerial and Professional  
Technical & Supervisory  
Clerical  
Skilled and unskilled factory and estate workers

# 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 perform at their best and to embrace our core objective and shared values. Remuneration and compensation are 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 a safe environment free from discrimination and violence; no form of workplace bullying or harassment (in particular sexual harassment) will be tolerated.
- Ensuring employees are paid based on legal requirement on minimum wage.
- Prohibiting child labour and forced labour within our organisation.
- Providing a responsive channel for employees to sound any complaints and grievances; and
- Setting out the procedures for such complaints and grievances to be addressed satisfactorily.

## 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 with national laws and industry standards. Overtime is voluntary and shall not exceed the limit provided in the national laws, collective agreements or industry standards. Appropriate safeguards are in place to ensure workers' health and safety when performing overtime work.

## Diversity & Inclusivity

The Group is committed to ensure equal opportunities to all employees irrespective of their gender, race, religious or socioeconomic background. We consistently nurture the development of our human assets by fostering an inclusive culture and celebrating diversity through 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.

## Gender Equality Committee

Gender Equality Committee has been established in our estates and mills to encourage female employees to raise their concerns or problems encountered at workplace (especially matters involving sexual harassment and violence). The Committee is chaired by the highest-ranking female of the operations. Quarterly or annual activities are organised by the Committee to foster a closer relationship among female employees. The Committee has contributed to promoting awareness of women's rights or welfare within the organisation and has been receiving positive response from female workers.

## Welfare of Our Employees and Their Families

Our initiatives to improve employees welfare have often times been extended not just to our employees but also to their family members. These initiatives have made a difference in our ability to attract, recruit and retain the best talent.

One of such initiative is our family benefit programs to provide day care services and education for children of our employees who reside in our operations. Under the programs, day care facilities and schools are built within the estates. Transportation services are also made available to facilitate hassle-free commute.

For our plantations in Sabah, we have initiated a collaboration with the Borneo Child Aid Society, known locally as Humana, a NGO dedicated to assisting marginalised children, to make available free and basic education to the child's doorstep.

The key aims of our partnership with Humana are to encourage our estate workers to allow their children to attend classes and alleviate our workers' burden of childcare and education.

Our commitments include:

- Finding suitable and conducive venues to build schools, accessible within the plantation.
- Providing furniture and other basic amenities.
- Providing accommodation and other benefits for teachers.
- Organising transportation for students to ensure that they get to school on time, reducing financial burdens for parents.
- Undertaking all running costs associated with the operation and maintenance of the school.

# SUSTAINABILITY STATEMENT

(CONT'D)

Under the families benefit program, our employees' children have access to quality education aligned with the national school syllabus. In Sabah, we have established Humana Schools and are in the process of forming a Community Learning Centre (based on Indonesia School Syllabus).

The Group has invested in school buses, vans or other suitable vehicles as a means of transportation to school-going children. The numbers of school-going children as at year end are as follows:

	FY2024	FY2023
Government primary and secondary schools	377	255
Humana Schools and Community Learning Centre	162	204
<b>Total number of school-going children</b>	<b>539</b>	<b>459</b>

## 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 amongst the employees in the Group:

- Various staff social activities, including festival celebrations and sporting events organised by the In-house Sports/Welfare Club;
- Promote and sponsor the cultivation of vegetables and fruits in designated areas within the estates / mills. The Group supplies the necessary materials such as seedlings, young plants, planting materials, agro-fertilisers and bio-mass inputs. The produce is shared amongst employees; and
- Monitor retail prices for essential food items at the grocery shops in the estates to ensure that these items are reasonably priced.

## Digitalisation (E-Wallet)

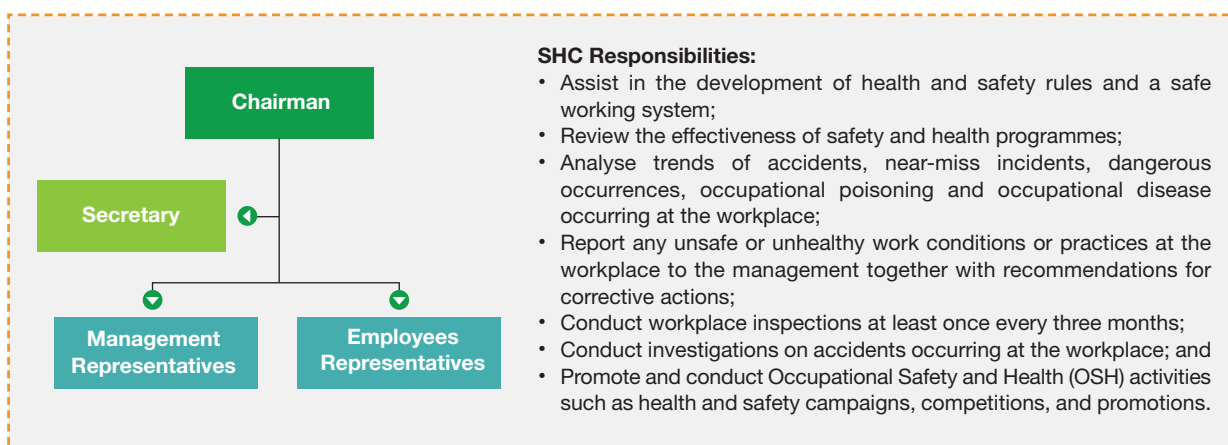
We have implemented the e-wallet salary crediting system where we collaborated with Merchantrade Asia Sdn Bhd. Apart from having the function of an international Visa prepaid card, workers can also use their e-wallet to withdraw cash anytime at local ATMs in Malaysia or their home country and Merchantrade branches, enabling them to experience the convenience of digital financial services.

This facility has reduced the needs for workers going out to the nearest town for banking purposes.

## 9. SAFETY AND HEALTH AT WORKPLACE

The Group places the utmost importance in ensuring that our workplace is safe and poses no health issues to our employees. We strive to continuously improve our health and safety ("H&S") policies and practices by educating our employees on health and safety matters.

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 meetings

SHC meetings are 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 are properly recorded and reported.

In addition, the following measures are carried out by the Group to address health and safety at the workplace:

- Providing appropriate Personal Protective Equipment for workers;
- Maintaining Safe Operations Procedures;
- Conducting training on safe work 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
- Coordinating 'gotong-royong' and cleaning up activities to step up the hygiene condition and eradication of mosquitoes at housing areas of the Group's estates/mills.

	FY2024	FY2023
No. of fatality	0	0
Fatality Rate (per 1,000 Employees)	0	0
Accident Rate (per 1,000 Employees)	22.36	46.58
Frequency Rate (per million hours worked)	11.41	14.76

## 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 who are required to handle hazardous compounds are regularly conducted.

Based on CHRA recommendation, competent Hygiene Technicians registered with DOSH are appointed to conduct Employee Personal Exposure Monitoring for staff handling hazardous chemical. The said employee will be required to go for annual medical surveillance to ensure their good health and wellbeing.

## Safe Pesticide Handling

All workers who are required to handle pesticides are trained and equipped adequately and their health monitored. Personal protection equipment must be used at all times and workers who work with pesticides receive regular free medical. Pregnant women and new mothers who are breastfeeding are not allowed to handle chemicals and will be reassigned to more suitable work.

There have been no instances of accidents or illnesses due to the handling of chemicals and pesticides during the reporting period.

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

HIRARC are conducted on all estates and mills to identify potential hazards related to work activities. Risk assessments are conducted to prioritize the risks and risk mitigating measure implemented as necessary.

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 inspections reported at SHC meetings.

# SUSTAINABILITY STATEMENT

(CONT'D)

## Noise Exposure Monitoring According to Factory and Machinery (Noise Exposure) Regulations 1989

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 85dB(A) at all mills.

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

## Fire Prevention

Emergency Response and Preparedness Emergency Response Team ("ERT") has been set up in all oil palm estates and palm oil mills.

Trainings for all ERT members and fire drills at all operation units are conducted on an annual basis to test the readiness of the firefighting system. Implementation of effective fire prevention practices can improve the level of safety through cooperative education, such practices include:

- Regular checking and maintenance of firefighting equipment to ensure the equipment are in good working condition and are easily accessible.
- Flammable materials or other hazardous substances are stored in a safe place.
- Fire safety demonstrations/fire drill practice are conducted.
- Designated smoking area with a safe distance away from the building is provided.
- Emergency plans and assembly location are assigned.
- Installation of smoke detector in the building.
- Update of list of emergency contact.

## Human capital development - equipping and learning culture

The Group inculcates a learning culture in the organisation so that employees at all levels are equipped with the necessary knowledge, skills and exposure, to be fully effective in their current jobs and meet the skill prerequisites for their career progression and future assignments in support of the Group's objectives. 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. In-house training on subject matters such as human capital, safety, accounting, technical issues and management skills are provided mainly for management personnel. Employees are sent for external training by subject matter experts where specialist training are required.

## Trainings and Development of Employees

On-the-job training at site are carried out by our staff and management on Safe Operating Procedures. Reminder and briefing were also carried out during the daily muster calls. The estates and mills are required to maintain proper training records to facilitate assessment of training gaps and development of future training plans.

Training and development for our employees (staff level and above).

Training and development for our employees (staff level and above).	FY2024	FY2023
Man-days	1,058	446
Average man-day per staff	2.6	1.1



# SUSTAINABILITY STATEMENT

(CONT'D)

Our employees are trained in various fields of expertise, including:

1. Best Agricultural and Management Practice
  - Pest and Disease
  - Harvesting and crop evacuation
  - FFB Crop Recovery
  - Calibration for Pesticide Application Equipment
2. Safety and Health
  - Tool Box Meetings (for Palm Oil Mills)
  - Emergency Preparedness and Response at Workplace
  - Hazard Identification, Risk Assessment and Risk Control ("HIRARC")
  - Personal Protective Equipment ("PPE")
  - Safe handling of Chemical, Exposure and Its Effect to Health
  - Basic First Aid & CPR
  - Occupational Safety & Health Regulations & Requirements
3. Environment
  - Scheduled Waste Handling
  - Water Quality Parameters and Assessment
  - Quantification Reporting of GHG Emissions Removals for Corporates and Products
  - Biodiversity Awareness
4. Sustainability
  - MSPO 2.0 Awareness Program
  - MSPO 2.0 Internal Auditor Training
  - International Sustainability & Carbon Certification (ISCC) EU Awareness
5. Human Capital
  - Updates on Employment Acts
  - Conducting Domestic Inquiry
  - The Prevention and Eradication of Sexual Harassment
  - Ethical Recruitment

## 10 COMMUNITY DEVELOPMENT

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 to the communities in the 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.

In a joint venture agreement between the Group and a local orphanage, the Group has successfully converted a piece of land belonging to the orphanage into an oil palm estate. Profits from the operation of the estate is channelled to the orphanage and a development fund set up by Al-Yatama Berhad, an organisation running the 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 2024 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.

### Corporate Social Responsibilities initiatives

The Group made several contributions and donations amounting to approximately RM86,000 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.



# SUSTAINABILITY STATEMENT

(CONT'D)



## GOVERNANCE

### 11. GOVERNANCE AND ETHICS

We are committed to good corporate governance and ethical practices at our workplace. Our governance practices are guided by the recommendations of the Malaysian Code on Corporate Governance and the MMLR of Bursa Securities. Further information on our Corporate Governance structure and initiatives during the year can be found in the Corporate Governance Overview Statement from pages 64 to 82.

#### a) 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 guided by our Code of Conduct.

The Government in line with its anti-corruption drive has since 1 June 2020 enforced S17A MACC Amendment Act (2018). In response to the enactment of S17A, we have reviewed and expanded our Code of Conduct to include all associated persons as defined under the Act. The changes 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 donations to deserving recipients on the condition that the donations are 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 antibribery training has been and will continue to be conducted in all business units. Associated persons like contractors, agents, consultants and suppliers with bribery risks have been made aware and they have undertaken to comply with the Act.
- The Head of Assurance and Governance Department has been designated as the Compliance Officer responsible for anticorruption 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.

Some of our Key Policies are:

Policies	Purpose
Code of Conduct and Ethics	<p>The Code of Conduct and Ethics applies to every employee within the Group and is an integral part of their Terms and Conditions of Service. It sets forth the expectation for employees to uphold a strong set of personal and professional values in all aspects of their work, business interactions, and decision-making.</p> <p>During the financial year, awareness and training programs were conducted for all new hires to ensure they were adequately informed. It is the responsibility of employees to familiarise themselves with and have a comprehensive understanding of the Code's requirements and directives.</p>

# SUSTAINABILITY STATEMENT

(CONT'D)

Policies	Purpose
Anti-Bribery and Anti-Corruption Policy	<p>The Group has a zero-tolerance approach towards corruption, fraud, and bribery.</p> <p>Our Anti-Bribery and Anti-Corruption (“ABC”) Policy, aligned with relevant laws and regulations, applies to all employees, directors, and associates.</p> <p>Compliance with the policy is mandatory, supported by annual refresher training and declarations. We are committed to upholding the highest ethical standards across our business operations. During the financial year, briefings were conducted for all employees, emphasising the policy's importance and its application to the Group's operations. The compliance rate for signing and adhering to the policy was 100%.</p>
Whistleblowing Policy	<p>The Group upholds a culture of transparency and accountability through our Whistleblowing Policy and Procedure. We encourage all employees and those in our value chain to report any concerns related to unethical behaviour or noncompliance. The policy ensures protection for whistleblowers, in accordance with relevant legislation. All reports are treated confidentially and without the risk of reprisal. Whistleblowers have the option to submit reports anonymously through various channels such as via dedicated email, telephone or mail. We are committed to addressing any reported issues promptly and taking appropriate actions to maintain the integrity of our operations.</p> <p>No reported cases were noted for the Group in FY2024.</p>
Conflict of Interest Policy	<p>The Group has a robust Conflict of Interest Policy that guides employees in identifying, preventing, and managing potential conflicts of interest. The policy emphasises the importance of acting in the company's best interests and avoiding situations that could compromise judgment. Employees are required to disclose any conflicts of interest, and appropriate measures are taken to address reported conflicts. Regular training programs ensure awareness and promote a culture of transparency and accountability. By upholding this policy, Kim Loong Resources Berhad has prioritises ethical conduct and fosters trust among stakeholders.</p>
Occupational Safety and Health Policy (OSH Policy)	<p>The Group prioritises the health and safety, and well-being of our employees, stakeholders, and the communities in which we operate. Our OSH Policy outlines our commitment to maintaining high standards and compliance with relevant laws and regulations. We implement robust safety protocols and provide regular training to mitigate risks and prevent accidents in our workplaces. We strive for environmentally responsible practices, including the efficient use of resources, waste reduction, and pollution prevention.</p> <p>Continuous monitoring, audits, and assessments ensure that our operations align with best practices for health, safety, and environmental sustainability.</p> <p>No major reported incidents were noted for FY2024.</p>
Data Protection and Privacy Policy	<p>The Group values data protection and privacy. Our policy is designed to safeguard personal information, ensuring its security and confidentiality.</p> <p>We adhere to data protection laws, implement robust security measures, and handle data with utmost care and transparency. We regularly review and enhance our practices to maintain compliance and protect the privacy of individuals.</p> <p>No reported breaches were noted for the Group in FY2024.</p>
Directors' Fit and Proper Policy	<p>The Group upholds a Directors' Fit and Proper Policy to ensure the suitability and integrity of our directors. This policy sets clear criteria and standards for assessing qualifications, experience, and character. We conduct due diligence and maintain high ethical standards to ensure a capable and responsible Board of Directors.</p>
Employee Handbook	<p>All employees including new staff are provided with an employee handbook to promote awareness of the Group's corporate governance standards and its policies. The handbook is available for download at the Company's intranet drive.</p>

## SUSTAINABILITY STATEMENT

(CONT'D)

### b) Anti-Bribery and Anti-Corruption Practices

We avoid all forms of bribery and corruption at the workplace. We have in place mitigation measures such as operational limits of authority and procedures for all directors and employees to declare any conflicts of interest. In addition, our 'open-door' policy promotes open channels of communication at the workplace. To date, we have not had any cases of corrupt practices at our offices.

As we recognise the importance of formalising our values and workplace practices, we establish our own Code of Ethics to guide our management and employees in a structured manner. Our Whistle-Blowing Policy has been formalised and enforced to further endorse a safe and secure platform to report any incidents.

### c) Sexual Harassment Policy

The Group 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 2024, no sexual harassment or related cases was reported in the Group.

### d) Grievance Procedure

We have set up grievance procedure as a channel for all stakeholders to raise concerns of 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.





# SUSTAINABILITY STATEMENT

(CONT'D)

## 12. PRODUCT QUALITY AND OPERATIONAL EFFICIENCY

As an upstream oil palm business, we understand the importance of quality in meeting our customers' requirements and our internal business targets. In doing so, we focus on an array of areas to manage product quality and uphold operational efficiency. In the Management Discussion and Analysis section of our Annual Report, on pages 25 to 35 we further discuss our operational performance, efforts and significant achievements during the year.

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.

### Customer Satisfaction

Our customers are important stakeholders in the sustainable development of our operations. It is our responsibility to produce quality products that benefit our customers, drive business growth and are responsibly produced and sourced. We regularly engage with our customers to understand their needs and develop collaborative relationships to overcome common industrial challenges.

We strive to maintain the quality of our CPO and PK to meet customer requirements. Each batch is measured and monitored against our internal targets.

### Good Agriculture Practices

Our plantation operations are guided by our Oil Palm Planting Manual and Good Agricultural Practices ("GAP"). Key focus areas of GAP include managing optimum water levels, implementation of site-specific fertiliser programmes, application of integrated pest management and efforts to minimise production of poor fruit sets.

#### a. 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, 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 this 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.

#### b. Soil enrichment and conservation program

The Group 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.
- Stacking cut fronds protects the bare ground, enhances the retention of soil moisture, recycles nutrients and suppresses weed growth.

#### c. Real Time Monitoring of Agronomic Conditions Using Drone

Technological advancements have enabled the usage of drones in monitoring our planted areas. 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)

### 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 on our supply chain are also carried out on a routine basis.

Traceability is important for both transparency and to build trust with end users so that they can be assured of where the ingredients and raw materials come from. The market today demands more sustainable products and this involves knowing where they have been sourced from. It is also essential for product quality and food safety reasons. Traceability is also a key vehicle for responsible producers who through traceability certification can demonstrate to customers the point of origin and supply chain involved in each shipment of their products providing an extra level of trust and transparency in the goods they produce. 86% of oil palm products are traceable right back to the plantation level.

As part of our efforts to manage our supply chain, we emphasise on 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, our mills have records of the following:

- Name and address of the FFB Supplier
- Geo-Coordinates of plantations
- Refinery dispatch number
- Certification status

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 16 May 2024.

# SUSTAINABILITY STATEMENT

(CONT'D)

## ESG PERFORMANCE DATA

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform, and is included in this Sustainability Statement as mandated by Bursa Malaysia's enhanced sustainability reporting requirements within the Main Market Listing Requirements.

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100
Executive	Percentage	100
Non-executive/Technical Staff	Percentage	100
General Workers	Percentage	95
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	86,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	800
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0
Management Between 30-50	Percentage	57
Management Above 50	Percentage	43
Executive Under 30	Percentage	5
Executive Between 30-50	Percentage	60
Executive Above 50	Percentage	35
Non-executive/Technical Staff Under 30	Percentage	15
Non-executive/Technical Staff Between 30-50	Percentage	60
Non-executive/Technical Staff Above 50	Percentage	25
General Workers Under 30	Percentage	35
General Workers Between 30-50	Percentage	55
General Workers Above 50	Percentage	10
Gender Group by Employee Category		
Management Male	Percentage	91
Management Female	Percentage	9
Executive Male	Percentage	57
Executive Female	Percentage	43
Non-executive/Technical Staff Male	Percentage	56
Non-executive/Technical Staff Female	Percentage	44
General Workers Male	Percentage	82
General Workers Female	Percentage	18
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	78
Female	Percentage	22
Under 30	Percentage	0
Between 30-50	Percentage	22
Above 50	Percentage	78
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption *	Megawatt-hour	(21,681)

# SUSTAINABILITY STATEMENT

(CONT'D)

## Bursa (Health and safety)

Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.4
Bursa C5(c) Number of employees trained on health and safety standards	Number	161

## Bursa (Labour practices and standards)

Bursa C6(a) Total hours of training by employee category		
Management	Hours	266
Executive	Hours	298
Non-executive/Technical Staff	Hours	518
General Workers	Hours	1,014
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	33
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	22
Non-executive/Technical Staff	Number	33
General Workers	Number	275
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

## Bursa (Supply chain management)

Bursa C7(a) Proportion of spending on local suppliers	Percentage	95
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## Bursa (Data privacy and security)

Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
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## Bursa (Water)

Bursa C9(a) Total volume of water used	Megalitres	1,471
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### Note

All indicators have been subjected to an internal assurance process.

\* Energy from non-renewable sources consumed less renewable energy exported.



# CORPORATE GOVERNANCE

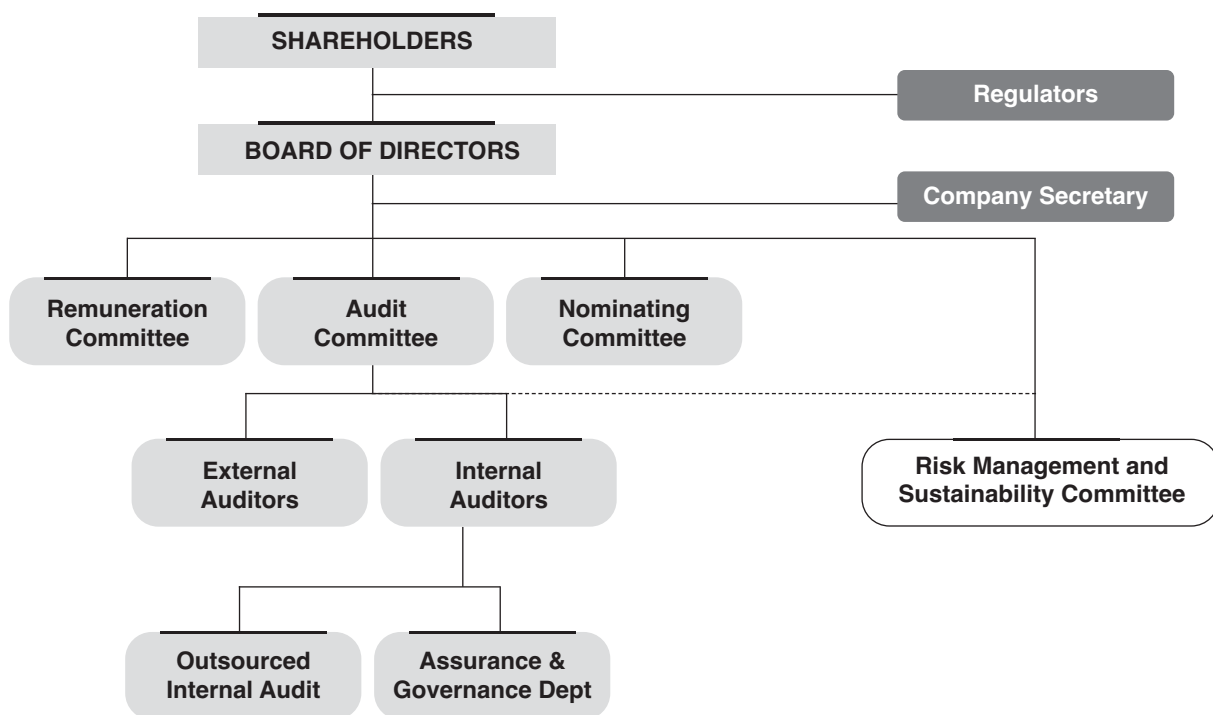
## OVERVIEW STATEMENT

This Statement has been prepared in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and it is to be read together with the Corporate Governance Report 2024 of the Company (“CG Report”) which is available on the Company’s website: [www.kimloong.com.my](http://www.kimloong.com.my). The explanation for departure is further disclosed in the CG Report.

The Board of Directors of Kim Loong Resources Berhad (“Company”) acknowledges the importance of good corporate governance (“CG”) in ensuring the long term sustainability of the businesses of the Company and its group of companies (“Group”). 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 believes that good CG practices add value to the business and enhances the Group’s ability to protect shareholders’ interest. To this end, the Board will play an active role in guiding and supporting the Management in instilling a strong ethical organization culture with sound and effective CG practices.

Our Corporate Governance Framework, which is set out below, is vital in supporting the practise of CG throughout the



organization.

The Board is pleased to provide an overview of the Group’s CG practices throughout the financial year ended 31 January 2024 (“FY2024”). These CG practices take into consideration the three (3) key CG principles as set out in the MCCG, 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.

Also disclosed in this statement are the manner and extent in which the principles and practices set out in the MCCG and governance standards in accordance with the MMLR have been adopted by the Company and the Group throughout FY2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

## 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 key 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 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](http://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 serves a source of reference and primary induction literature in providing insights to Board members and senior management.

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

- Policies on Corporate Social Responsibilities, Gender Equality and Sustainability
- 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

# 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)

This Board CG Manual will be 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](http://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
<ul style="list-style-type: none"> <li>Ensures that the Board functions effectively, cohesively and independently of Management</li> <li>Promotes the highest standards of corporate governance</li> <li>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</li> <li>Promotes constructive and respectful relationship among Board members and between Board members and Management</li> <li>Ensures that there is effective communication between the Company and/or Group and its shareholders and relevant stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Develops the strategic direction of the Group</li> <li>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</li> <li>Ensures that the objectives and standards of performance are understood by the Management and employees</li> <li>Ensures that the operational planning and control systems are in place</li> <li>Monitors performance results against plans</li> <li>Takes remedial action, where necessary</li> </ul>
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR	EXECUTIVE DIRECTORS
<ul style="list-style-type: none"> <li>Acts as a sounding board for the Chairman and Executive Directors</li> <li>Acts as a conduit for the views of other Non-Executive Directors</li> <li>Conducts the Chairman's annual performance appraisal</li> <li>Helps to resolve shareholders' concerns</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>Provide specialist knowledge and experience to the Board</li> <li>Chart the overall business direction of the Group</li> <li>Design, develop and implements strategic plans</li> <li>Deal with day-to-day operations of the Group</li> </ul>
INDEPENDENT NON-EXECUTIVE DIRECTORS	COMPANY SECRETARIES
<ul style="list-style-type: none"> <li>Challenge constructively</li> <li>Actively participate in Board decision making</li> <li>Scrutinise management performance</li> <li>Satisfy themselves on the integrity of financial information</li> <li>Provide independent judgement, experience and objectivity</li> </ul>	<ul style="list-style-type: none"> <li>Advise the Board</li> <li>Ensure accurate and timely information and required support are provided to Directors</li> <li>Organise Directors' induction and training</li> <li>Communicate with shareholders as appropriate and ensure due regard is paid to their interests</li> </ul>

# 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)

##### 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 two (2) Alternate Directors).

The Code recommends that at least half of the Board comprises independent directors. As of now, the Board is of the opinion that the current number of independent directors is sufficient to ensure effective check and balance of power and authority on the Board; and compliance with the Code's recommended composition of independent directors may be differed for the time being.

##### 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. The roles and responsibilities of the Executive Chairman and Managing Director are clearly defined and their respective authorities within the organisation outlined. 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 in-depth first-hand experience in managing the Group's core businesses.

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 specific individuals or 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 with the responsibility to record the Board's and their Committees deliberations, in terms of issues discussed, and the conclusions of such deliberations. 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.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### I. BOARD RESPONSIBILITIES (Cont'd)

#### 1.4 Qualified and Competent Company Secretaries (Cont'd)

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 regulations 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.

#### 1.5 Access to Information and Advice

The Executive Chairman and the Managing Director have the responsibility for organising information necessary for the Board to constructively deal with matters listed in the agenda and ensuring all Directors have full and timely access to such information.

In exercising their duties, all Directors have the same right of access to all information within the Group and, the Directors may as they deem necessary make further enquiries or request for additional information to be provided by the Group. The Directors have access to advice and services of the Company Secretaries, on matters relating but not limited to Board meeting procedures and applicable rules and regulations. If necessary, senior management personnel may be requested to provide information and address any queries or concerns of the Directors.

All Directors are provided with an agenda and a set of comprehensive Board papers, issued within sufficient time prior to Board meetings to allow Directors to appreciate issues to be deliberated on, and provide constructive input during Board discussions. Board papers may include reports, presentations, or such other document containing relevant and accurate information to facilitate the Board's decision-making process.

Senior management staff and/or 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 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 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### I. BOARD RESPONSIBILITIES (Cont'd)

#### 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 declare 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.

### II. BOARD COMPOSITION

#### 2.1 Board Composition

The Board composition is in compliance with Paragraph 15.02(1)(a) of the MMLR 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 is of the opinion that the current number of independent directors is sufficient to ensure effective check and balance in the Board; and compliance with the recommendation by MCCG may be differed for the time being. However, the Board will continuously review and re-evaluate its stance on this matter.

Details of the current individual director's qualifications and experiences are presented in the Profile of Directors from page 12 to 16 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 in the Board's decision making process. 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 with expertise in their respective field, enable a more robust deliberation process with greater impartiality and objectivity.

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 have demonstrated their ability to act impartially and objectively during Board deliberations 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 current Independent Directors meet the recommendation of the Code as they were appointed to the Board in year 2022.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### II. BOARD COMPOSITION (Cont'd)

#### iii. 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

The Board acknowledges the importance of boardroom diversity in terms of gender, ethnicity, regional and industry experience, cultural and geographical background, age and perspective. However, the Board is of the collective opinion that there was no necessity to adopt a formal 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.

As at 31 January 2024, the diversity of the Directors is as follows:

**Number of Director**                      **7**

Gender

Male	Female
6	1

Nationality

Male	Foreigners (Non-Malaysian)
7	0

Age Group (Years)

Below 50	50-60	60-70	Above 70
0	2	2	3

### 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

#### II. BOARD COMPOSITION (Cont'd)

##### 2.4 Foster Commitment of the Director (Cont'd)

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.

##### *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 of time.

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 of Meetings Attended	Percentage (%)
Gooi Seong Lim	Executive Chairman	5/5	100
Gooi Seong Heen	Managing Director	4/5	80
Gooi Seong Chneh	Executive Director	4/5	80
Gooi Seong Gum	Executive Director	5/5	100
Yong Chung Sin	Senior Independent Non-Executive Director	5/5	100
Soh Ban Ting	Independent Non-Executive Director	5/5	100
Dr. Chee Yau Kuan @ Chia Yan Kuan	Independent Non-Executive Director	5/5	100

All Directors have complied with the minimum 50% attendance requirements in respect of the board meetings 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 is in compliance with the MMLR.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### II. BOARD COMPOSITION (Cont'd)

#### 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 each Director will be conducted by the Nominating Committee without any influence from the major controlling shareholders, 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.

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

As at the end of the financial year 31 January 2024, the Board comprised seven (7) members of which three (3) are Independent Non-Executive Directors and four (4) Executive Directors.

#### 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 of Bursa Securities.

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 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.



# 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:

TITLE	PARTICIPANTS
Navigating ESG Data into Decisions Organiser : Institute of Corporate Director Malaysia Date : 21 March 2023	Soh Ban Ting
A Dialogue with Bursa Malaysia – FTSE4GOOD ESG Rating for All PLCs Organiser : Institute of Corporate Director Malaysia Date : 14 April 2023	Soh Ban Ting
Sustainability Governance, Management and Reporting – Roles of the Board of Directors and Management in overseeing the Environmental, Social, and Governance (“ESG”) agenda in the Group’s business” Organiser : Kim Loong Resources Berhad & Crescendo Corporation Berhad Date : 28 April 2023	Gooi Seong Lim Gooi Seong Heen Gooi Seong Chneh Gooi Seong Gum Gooi Chuen Kang Yong Chung Sin Soh Ban Ting Dr. Chee Yau Kuan @ Chia Yan Kuan
Corruption Section 17A - MACC ACT 2009 & Adequate Procedures Organiser : Crescendo International College Date : 3 August 2023	Gooi Seong Lim Gooi Seong Heen Gooi Seong Chneh Gooi Seong Gum Gooi Tsih Ern Soh Ban Ting Yong Chun Sin
Tax Series with Inland Revenue Board, Malaysia: Budget 2024 Dialogue with IRB Organiser : CPA Australia Date : 3 November 2023	Soh Ban Ting
The Securities Commission’s Audit Oversight Board Conversation with Audit Committee Organiser : Securities Commission Malaysia Date : 27 November 2023	Soh Ban Ting
Option on strategy for fertilizer cost reduction in estates: A proposal using mechanized EFB Mulching Organiser : Applied Agricultural Resources Sdn. Bhd. Date : 12 December 2023	Gooi Seong Chneh Dr. Chee Yan Kuan @ Chia Yan Kuan

#### 2.7 Board Committees

In order to assist in the execution of the Board’s responsibilities, 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).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### II. BOARD COMPOSITION (Cont'd)

#### 2.7 Board Committees

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](http://www.kimloong.com.my) and the Report of the Audit Committee is disclosed on pages 93 to 97 of this Annual Report. The works of the Audit Committee during the financial year ended 31 January 2024 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 key 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 key senior management with those of shareholders. The Committee also ensures that the level of remunerations for Executive Directors and key 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](http://www.kimloong.com.my) and the Report of the Remuneration Committee is on page 98 of this Annual Report.

##### 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 are documented in the minutes of meetings.

The objective of the assessment is 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. Upon completion of the assessment, the Nominating Committee will present their recommendations to the Board.

# 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 (Cont'd)

The Board, through the Nominating Committee's annual appraisal process, believes that it possesses the required mix of skills, experience and other qualities including the required core competencies to discharge its duties in an effective manner. The Board continuously reviews its size and composition to ensure that it can carry out its function effectively.

The Board has a Fit and Proper Policy (accessible on the Company's website at [www.kimloong.com.my](http://www.kimloong.com.my) to ensure that a person to be appointed or elected/re-elected as Directors possesses the necessary quality and character as well as integrity, competency and commitment. This policy serves as a guide for the Nomination Committee and the Board in their review and assessment of potential candidates as well as Directors who are seeking re-election.

The Board appoints its members through a selection process. All potential board candidates will be considered and evaluated by the Nominating Committee. The Committee will recommend the candidates they deemed suitable for the approval and appointment 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](http://www.kimloong.com.my) and the Report of the Nominating Committee is on page 99 of this Annual Report.

### III. REMUNERATION

#### 3.1 Remuneration Policy

The remuneration policy of the Company aims 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 key 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.

##### 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### III. REMUNERATION (Cont'd)

#### 3.1 Remuneration Policy (Cont'd)

##### c. Disclosure

The remuneration received or to be received by Directors of the Company from the Group and Company for the financial year ended 31 January 2024 amounted to RM9,724,143 and RM6,350,331 respectively.

Details of the remuneration for each of the Directors on a named basis are set out as below:

#### Group

##### Aggregate Remuneration

	Directors' Fees (RM)	Basic Salary (RM)	Bonus (RM)	Benefit-in-kind (RM)	Other Emoluments (RM)	Total (RM)
<b>Executive Directors</b>						
Gooi Seong Lim	88,500	852,000	1,015,500	3,875	163,447	2,123,322
Gooi Seong Heen	88,500	948,000	1,159,500	31,426	414,981	2,642,407
Gooi Seong Chneh	88,500	852,000	1,015,500	3,875	369,382	2,329,257
Gooi Seong Gum	82,500	852,000	1,015,500	13,775	369,882	2,333,657
<b>Independent Non-Executive Directors</b>						
Yong Chung Sin	100,000	-	-	-	2,500	102,500
Soh Ban Ting	94,000	-	-	-	2,500	96,500
Dr. Chee Yau Kuan @ Chia Yan Kuan	94,000	-	-	-	2,500	96,500
<b>TOTAL</b>	<b>636,000</b>	<b>3,504,000</b>	<b>4,206,000</b>	<b>52,951</b>	<b>1,325,192</b>	<b>9,724,143</b>

#### Company

##### Aggregate Remuneration

	Directors' Fees (RM)	Basic Salary (RM)	Bonus (RM)	Benefit-in-kind (RM)	Other Emoluments (RM)	Total (RM)
<b>Executive Directors</b>						
Gooi Seong Lim	-	492,000	738,000	3,875	88,933	1,322,808
Gooi Seong Heen	-	588,000	882,000	28,945	282,042	1,780,987
Gooi Seong Chneh	-	492,000	738,000	3,875	236,443	1,470,318
Gooi Seong Gum	-	492,000	738,000	13,775	236,943	1,480,718
<b>Independent Non-Executive Directors</b>						
Yong Chung Sin	100,000	-	-	-	2,500	102,500
Soh Ban Ting	94,000	-	-	-	2,500	96,500
Dr. Chee Yau Kuan @ Chia Yan Kuan	94,000	-	-	-	2,500	96,500
<b>TOTAL</b>	<b>288,000</b>	<b>2,064,000</b>	<b>3,096,000</b>	<b>50,470</b>	<b>851,861</b>	<b>6,350,331</b>

# 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. 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 senior management is appropriately remunerated based on their 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 (if any)
- Significant adjustments arising from external audit process (if any)
- Qualifications of the External Auditors' report (if any)
- Going concern assumptions
- 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 judgement 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.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

## 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 2024, 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 2024, 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 and 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, Deloitte Business Advisory 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 adequacy, integrity and effectiveness of the Group's systems of internal controls;
- 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.

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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

#### 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 85 to 92 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

## 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](http://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](http://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](http://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.

If the Board deems it necessary, a press conference may be 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.

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 may consider conducting 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](http://www.kimloong.com.my).

# 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 (Cont'd)

#### e) AGM

The AGM is the principal forum of dialogue with shareholders. In accordance with the Company's Constitution, Notice of AGM 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.

The Managing Director explains the Group's strategy, performance and major developments, including the responses to questions raised by the shareholders in relation to the operational and financial performance of the Group.

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.

### 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 on the Company's website at [www.kimloong.com.my](http://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 on its website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

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 16 May 2024.



## STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Board is required under paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") 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 2024, 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 2024 are set out on pages 101 to 175. The preparation thereof was supervised by the Finance Director and approved by the Board of Directors on 16 May 2024.

This Statement has been reviewed and approved by the Board of Directors on 16 May 2024.

## ADDITIONAL COMPLIANCE INFORMATION

To comply with the 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

#### 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 2024 were as follows:

Group (RM)	Company (RM)
481,000	85,000

#### Non-audit Fees

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 2024 were as follows:

Group (RM)	Company (RM)
9,000	9,000

### 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 2024 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	<p>KLP is a wholly-owned subsidiary of Sharikat Kim Loong Sendirian Berhad ("SKL"), the holding company of the Company.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Gooi Tsih Ern is an Alternate Director to Gooi Seong Lim of the Company.</p> <p>Gooi Chuen Kang is an Alternate Director to Gooi Seong Heen of the Company.</p>	15,463

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 16 May 2024.

## STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

This Statement on Risk Management & Internal Control is made pursuant to the Malaysian Code on Corporate Governance 2021 ("the Code") and Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") with regards to the state of internal control of KIM LOONG RESOURCES BERHAD ("KLR" or "the Company") and its subsidiary companies (the company and its subsidiary companies shall collectively be herein referred to as "the Group").

The Board of Directors ("the Board") is pleased to present below the Group's 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 B 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 its monitoring mechanism. Whilst, the Managing Director and his management carried 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.

### MANAGEMENT'S RESPONSIBILITY

Management is accountable to the Board and is responsible for effective implementation of risk management and control mechanisms, including:

- providing executive leadership in the management of risk within their work responsibilities
- identifying and evaluating risks faced by the Group
- formulating and implementing internal control and risk management actions and mechanisms
- implementing remedial actions in response to significant risks, and to address compliance and control issues
- the overall achievement of business objectives and strategies

Management is committed to operating a sound system of internal control and the internal control system will continue to be reviewed, updated and improved upon in line with changes in the operating environment. Key to this is to identify significant threats and opportunities, evaluate the risk profile and drive mitigation strategies on a regular basis. All heads of departments, managers and senior executives are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business and decision-making processes.

### 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 on reports it received from the Internal Auditors, the External Auditors and Management. Significant risk management and internal control matters (if any) will be brought to the attention of the Audit Committee by the Internal Auditors, the External Auditors and Management.

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

# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(CONT'D)

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

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 periodically reviewed to support the Group's business activities as the Group continues to grow.

- Operations Review and Monitoring

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

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

The Executive Directors also monitor the performance of the business units through reports produced by external consultant (namely Planting Advisors and Agronomists). The roles of the external consultants 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, key operational and management issues faced by the mill managers are discussed and addressed.

- 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 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 build and maintain a team of employees who are equipped with the necessary knowledge, skills and abilities to carry out their responsibility effectively.

Emphasis is being placed on enhancing the skills and competency of employees through training and development.

Employees' competencies are assessed through the annual appraisal system; where skill development and training requirements are highlighted to Heads of Departments and business units for approval and implementation.

- Management Style

The Board entrusted the responsibility of the day-to-day management of the Group's operation to the Executive Chairman, Managing Director, Executive Directors and key Management team; all of whom are highly experienced individuals with proven performance record.

The Executive Chairman, Managing Directors and management adopt a "hands on" approach in managing the business of the Group and steering the Group towards the strategic direction set by the Board. This enables timely and effective identification and resolution of any significant issues and serve as an effective internal control features.

## 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)

- 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 internal control established by the Board include amongst others:

- 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 protect the Group from potential financial losses in the event of any unforeseen circumstances (such as fire damage, theft etc.)
- 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. 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 milling and plantation performance summaries and statistic with commentaries.

- Code of Business Conduct and other related Policies

- Code of Ethics and Conduct: The code defines acceptable behaviour for staff in dealing with key stakeholders and is made available to all staff.
- Corporate Integrity Policy – Anti Fraud Policy: The Policy sets out the framework for the prevention detection and management of any fraudulent act within the Group (including any irregularity, or suspected irregularity involving employees, shareholders, consultants, vendors, contractors, external parties).
- Whistle Blowing Policy: The Policy is formulated to provide a channel for employees to report in good faith and in confidence, without fear of reprisals, any concerns about possible improprieties within the Group. Allegations of improprieties reported via the whistle blowing channel are appropriately followed up upon and the outcome(s) reported to the Audit Committee.

#### 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. Members of RMSC are tasked with the role identify risks relating to their areas, likelihood of these risks occurring, consequences if they do occur, and 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 (as the case maybe).

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



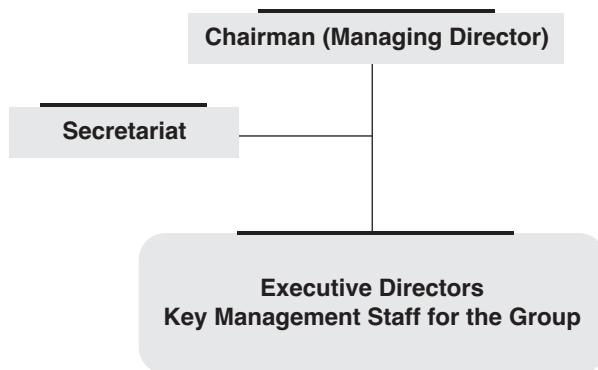
# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(CONT'D)

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

### ii. Risk Management Framework (Cont'd)

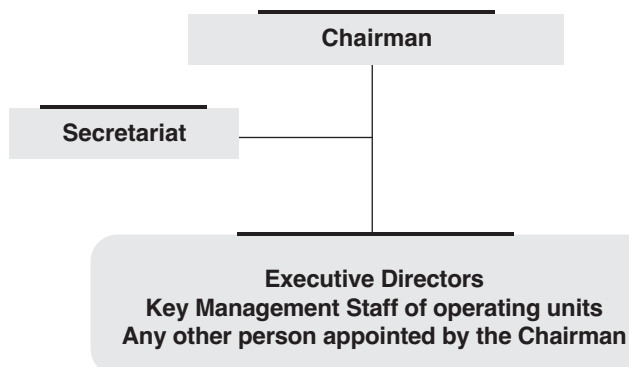
#### Risk Management & Sustainability Committee



Key Roles of the RMSC in the area of risk management:

- Develop Group strategies and policies
- Monitoring sustainable performance

#### Risk Management & Sustainability Committee - Working Group



Key roles of working Group in the area of risk management:

- 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 & Sustainability Committee or appointed by the Risk Management & Sustainability Committee*

Significant risks identified for the financial year ended 31 January 2024

#### Anti-Bribery and Anti-Corruption Policy

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 its Anti-Bribery and Anti-Corruption Policies to manage potential bribery and corruption risk within the Group.

## 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)

Other key risks and actions taken are summarised below:

Risk Category	Description & Impact	Mitigation Measures
<b>Governance and Compliance Risk:</b> Evolving regulatory landscape on sustainability	At the national and global levels, regulators continue to push forward with enforcing new and/or revised rules and guidance to deliver their respective sustainability agenda. Whilst, the Group recognises the importance of the issue and is taking the necessary actions to set its sustainability priorities and execute its commitments; it is also facing a heightened risk of compliance especially in terms of its legal, financial and criminal exposure if any of the regulations are not followed.	<p>In response to the evolving regulatory landscape on sustainability, the Group has:</p> <ul style="list-style-type: none"> <li>Established and mandated its RMSC to oversee and manage the Group's sustainability goals, priorities, enforcement and delivery;</li> <li>Formalised the Human Capital Policies, which enforces a "No Child Labour" practice, formation of the Gender Committee and Joint Consultative Committee;</li> <li>Formalised proper channels for its employees and business associates to report on any violation of policies and procedures of the Group;</li> <li>Promote awareness amongst its employees and business associates of the Group's Anti-Bribery and Anti-Corruption Policy and other sustainability-related policies.</li> </ul> <p>On the operational front, the Group is continuously exploring and assessing investment in new plant and machineries to reduce the impact of milling operations on the environment.</p>
<b>Operational Risk:</b> Fluctuation of operational costs, with upside risk	The Group's operational cost is primarily made up of its plantation and milling operation costs. The major items include, amongst others, cost of labour, fertilizer, transportation, plant maintenance, etc.; of which prices are highly dependent on external factors. During the financial year, the Group has experienced an overall escalation in cost, brought about by labour shortages, weakening Ringgit, and overall inflationary pressures on its input materials. Moving forward, the risk of cost escalation remains upward tilted, given the unrelenting geopolitical tensions in the Middle East which may lead to further trade restrictions and supply disruptions.	<p>The Group manages cost with the practice of budgeting and monitoring of divergence of actual cost vs budget over time. Any major divergence of cost will be highlighted and mitigated, where possible.</p> <p>In addition, measures to improve the plantation and milling divisions' productivity are part of our cost management focus. These measures, include the introduction of mechanization in selected operational areas, automation of certain processes in the mills, utilization of better tools and better management of labour.</p>

## STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(CONT'D)

Risk Category	Description & Impact	Mitigation Measures
<b>Operational Risk:</b> Inability to achieve optimum oil yield per hectare due to ageing palm tree profile	<p>The factors that influence the yield of Fresh Fruit Bunches ("FFB") include the age and maturity of oil palm trees. 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 25 years to ensure continuous long-term efficient production and sustainable yields.</p> <p>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 that of mature trees. Generally, our replanting programme has a short to medium term impact on the Group's FFB production which in turn may affect our revenue and margins.</p>	<p>We structured our replanting programme on a rolling basis to minimise the effect on FFB production in any given year.</p> <p>Our replanting programme is carried out after taking into consideration the existing age profile of our palms and the impact on future FFB production, as well as the availability of seed stockpile. Implementation of the programme will be monitored and re-calibrated, if necessary, until the overall age profile of our plantation is fully optimized.</p>
<b>Foreign Currency and Commodity Price Risks:</b> Fluctuation of local and international commodity prices affecting prices of FFB, CPO and other palm oil milling products	<p>The Group's results are highly dependent on the prices of FFB and CPO. These commodity prices are in turn driven by various regional and global factors such as the volatility of foreign exchange rates, changing regulatory landscape in major palm oil exporting and importing countries, prices of other competing edible oils (such as soybean) and climate change.</p>	<p>The Management constantly monitors the movement in palm oil commodity prices and may take steps to mitigate unfavourable price movement 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.</p>
<b>Environmental Risk:</b> Extreme weather conditions impacting operation	<p>Extreme climate occurrences such as prolonged rising temperature, droughts and heavy rainfall causing floods are some of the many climate-induced challenges that may directly impact our estates' productivity, leading to reduced yields and/or escalation in our production cost.</p>	<p>As extreme climate occurrences are becoming a norm, we have adopted an adaptive approach to deal with the challenges that these climate changes pose. We have installed appropriate irrigation mechanism within our estate to regulate water supply and have progressively constructed new ponds and deepened existing ponds to meet the requirements of our FFB processing mills. Sufficient financial provision will be set aside for the maintenance of these infrastructure. Our estates are also exploring new method to mitigate the impact of drought with tube-well systems.</p>
<b>Human Resource and Labour Shortage Risks:</b> High dependency on foreign labour	<p>Due to difficulties in securing local labour, our plantation is highly dependent on foreign workers especially from Indonesia and Philippines for its operations.</p> <p>The Indonesian government's freeze on entry of Indonesian workers to Malaysia, implemented in 2021, has impacted our planned in-take of labour from the country and despite certain relaxation of the freeze, our estate labour requirements are yet to be optimally met.</p> <p>Additionally, policy changes, increased competition for labour and intensified scrutiny of labour laws are amongst the other labour related challenges that we face.</p>	<p>To alleviate the labour shortage, we are:</p> <ul style="list-style-type: none"> <li>• Offering incentives to retain existing workers and to attract new workers.</li> <li>• Enhancing housing and other facilities and benefits.</li> <li>• Improving communications with the local authorities and recruiting agents to expedite recruitment process.</li> <li>• Accelerating mechanisation, particularly for activities like collecting fresh fruit bunches (FFB).</li> </ul>

## STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(CONT'D)

Risk Category	Description & Impact	Mitigation Measures
<b>Health &amp; Safety Risks:</b> Hazard	Occurrence of any injuries or fatalities at work place may adversely impact employees' morale, health and productivity. In addition, such occurrences may also result in fines and stricter scrutiny from the relevant occupational health and safety authorities on the Group's operations.	<p>The Group subscribes to a safety-first approach in all work-related activities in our estates and mills, particularly for activities involving the preparation &amp; transportation of chemicals, spraying &amp; manuring, and machinery operation &amp; repairs. We conduct regular reviews / audit of processes to ensure that safe working procedures are practiced and personal protective equipment are provided and used. We also provide safety awareness training for our workers and supply chain partners to inculcate a safety-first approach and share any health &amp; safety learnings from sites.</p> <p>Emphasis is also placed on health and safety features of our workers' living quarters. Measures will be taken to enhance the workers' living environment and promote the practice of healthy and safe habits.</p>
<b>Organisation Capability Risk:</b> Challenges in attracting, obtaining and retaining talent	Having a pool of talent with the right skill-sets and competency is necessary to ensure continuous growth of the Group. However, the oil palm industry has been facing challenges in attracting, obtaining and retaining talent due to the negative connotation of it offering "3D" jobs (dirty, dangerous and difficult).	<p>The Group is continuously investing in people development by facilitating various capabilities, technical and leadership development programmes, to equip employees with critical skills and attributes.</p> <p>The Group is also exploring opportunities to mechanise select work processes and upskill its workers to provide a better job outlook.</p>
<b>Competition Risk:</b> Competition for FFB supply	From time to time the Group faces challenges in sourcing external FFB supplies in the vicinity of its mills. Failure to source sufficient FFB may result in the mills not operating at optimum level.	<p>In order to counter the risk, we put in place procedures to:</p> <ul style="list-style-type: none"> <li>• monitor suppliers and competitors' strategies to better prepare for any shift in FFB supply and demand trends;</li> <li>• build rapport with suppliers to keep abreast of any potential change in supply chain to stay ahead of competitors;</li> <li>• continuously assess and re-align strategies to remain competitive.</li> </ul>

### iii. Internal Audit Function

The roles, responsibilities and activities of the Internal Audit function are described and detailed on pages 96 to 97 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 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.

# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(CONT'D)

## CONFIDENTIAL REPORTING

The Group's Whistle-blowing policy enables staff to raise concerns about possible improprieties in financial and other matters and to do so, in confidence, without fear of reprisal. Details of the policy are set out on the Company's website at [www.kimloong.com.my](http://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 2024 (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.

## 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 2024.

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 2024, 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 16 May 2024.



# 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 2024 and in compliance with Paragraph 15.15 (1) of the MMLR.

## 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	: Yong Chung Sin
Members	: Soh Ban Ting Dr. Chee Yau Kuan @ Chia Yan Kuan
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. Yong Chung Sin, and Ms. Soh Ban Ting are member of the Malaysian Institute of Accountants (MIA). The Company has therefore complied with Paragraph 15.09(1)(c)(i) of the MMLR.

## MEETINGS

During the financial year 2024, the Audit Committee held a total of nine (9) meetings with the attendance of the Finance Director, Group Financial Controller, Head of Assurance and Governance Department ("AGD"), 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 AGD 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	Number of meeting attended by member
Yong Chung Sin	9	9
Soh Ban Ting	9	9
Dr. Chee Yau Kuan @ Chia Yan Kuan	9	9

## TERMS OF REFERENCE

The details of the Terms of Reference of the Audit Committee are available at [www.kimloong.com.my](http://www.kimloong.com.my).

# REPORT OF THE AUDIT COMMITTEE

(CONT'D)

## 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 2024, 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 relevant 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 2024 to ensure their scope of work adequately covered the activities of the Group;
- 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 the auditors' reappointment and remuneration to the Board;
- 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.

The amount of audit and non-audit fees incurred for the financial year ended 31 January 2024 were as follows:

### Fees Incurred

	Audit Fees (RM)	Non Audit Fees (RM)
The Group	481,000	9,000
The Company	85,000	9,000

## REPORT OF THE AUDIT COMMITTEE

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

#### 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, in particular material findings, recommendations and management responses there to and ensured that these 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; 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 the MMLR, including approval of non-audit services.
- Reviewed any other reports issued by the Company that relate to the Committee's responsibilities.

#### Site Visit

On 6 and 7 June 2023, members of the Audit Committee visited the Group's operations at Sandakan/Telupid region of Sabah, where three (3) oil palm estates (Kim Loong Resources Berhad, Suhenson Estate Sdn Bhd and Kim Loong - KPD Plantations Sdn Bhd) and one (1) palm oil mill (Kim Loong Sabah Mills Sdn Bhd) are located.

The objective of the visit to enhance their knowledge of the operations and understand the ground situation.

Members of Audit Committee were accompanied by an Executive Director, the Finance Director, Plantation General Manager and the Head of Assurance and Governance. The line management briefed the visiting team on the operations and challenges faced by the estates and mills. The visiting team also took part in the palm bunches census carried out at the estate in Sandakan.

### 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 73 for further details.

# REPORT OF THE AUDIT COMMITTEE

(CONT'D)

## INTERNAL AUDIT FUNCTION

The Group's internal audit function adopts a co-sourcing model whereby risk management, sustainability and specialised audits are performed by its in-house Assurance and Governance Department which acts independently from the activities and operations of the Group and the out-sources service provider, Deloitte Business Advisory Sdn. Bhd. Risk-based internal audit scope is performed by Deloitte Business Advisory Sdn. Bhd., who presents their findings to the Audit Committee. Both our in-house Assurance and Governance Department and Deloitte Business Advisory Sdn. Bhd. are collectively known as the "Internal Auditors".

### Outsourced internal audit function

The Group outsourced part of the internal audit function to an independent professional firm, namely Deloitte Business Advisory Sdn. Bhd., during the financial year under review.

The Internal Auditors assisted both the Audit Committee and the Board during the financial year under review by conducting independent assessment of the adequacy and operating effectiveness of the Group's internal control system. To ensure its independence from Management, the Internal Auditors reported directly to the Audit Committee through the execution of internal audit work based on a risk-based internal audit plan approved by the Audit Committee before commencement of work. The internal audits conducted were guided by the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors which comprise the definition of Internal Audit, the Core Principles, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing ("ISPPA").

The Internal Audit Plan, which articulated the methodology adopted by the internal audit function took into consideration the Group's Risk Profile and input from Audit Committee, set out the areas of coverage and rationale for its selection and was presented to the Audit Committee for comments and subsequent approval before actual internal audit work was carried out. At the Audit Committee meeting where the Audit Plan was deliberated, members of the Audit Committee inquired about the basis for their selection of the in-scope areas. Feedback from the Managing Director and Finance Director was also sought by the Audit Committee on the relevance and appropriateness of the suggested audit areas for consideration before the Audit Committee approved the Internal Audit Plan for the Internal Auditors to commence work.

The internal audit deliverables, which comprised Internal Audit reports on observations raised, recommendations suggested as well as Management's comments thereto, were issued and reported directly to the Audit Committee. At the relevant Audit Committee meetings, representatives from Deloitte Business Advisory Sdn. Bhd. tabled its report and deliberated with the Audit Committee the salient issues noted, recommendations by the Internal Auditors to address the issues as well as Management's comments on the issues highlighted. The Managing Director, Finance Director and Group Financial Controller, who were normally invited to the Audit Committee meeting, provided clarification to the Audit Committee on the matters highlighted, including action plans to address the concerns highlighted by the internal audit function.

The outsourced internal audit function is headed by En. Muzafar Kamal Mahmood, an Executive Director of Deloitte Business Advisory Sdn. Bhd., who holds a Bachelor of Commerce, University of New South Wales Australia, and is a FCPA (Australia), Chartered Accountant, Malaysian Institute of Accountant and a Professional Member of The Institute of Internal Auditors Malaysia (CMIIA).

The Audit Committee was briefed by representatives of Deloitte Business Advisory Sdn. Bhd. that all their personnel deployed during the financial year under review were free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.

# REPORT OF THE AUDIT COMMITTEE

(CONT'D)

## In-House Internal Audit Function

The Assurance & Governance Department ("AGD") provides independent and objective assurance and advisory services to add value and improve the operations and internal controls of the Group. The AGD is governed by its Internal Audit Charter, which has been approved by the Audit Committee.

The AGD consists of four (4) independent associates and is headed by Mr. S Subhash Chandran K Sekaran Nair, Deputy General Manager, one (1) Manager, one (1) Assistant Manager and one Senior Executive. The AGD team consist of one (1) Masters of Business Administration holder and a member of Institute of Internal Auditors Malaysia and three (3) Accounting & Finance Degree Holders. Both managers have more than ten (10) years working experiences in auditing. While the Senior Executive has 4 years of working experience in internal auditing.

The main functions of the AGD are to:

- undertake regular and systematic reviews of the effectiveness and adequacy of the systems of internal control. The review and assessment process must be carried out impartially, proficiently and with due professional care;
- ensure compliance to certification bodies requirements;
- assess and report on the Management's progress and effectiveness in addressing weaknesses in internal controls and update on the extent to which recommendations have been implemented within the required timeframe to ensure that all potential weaknesses under review are mitigated or are within acceptable levels;
- carry out specialised auditing/reviews at the request of Senior Management, Audit Committee or Executive Directors;
- investigate and report on suspected fraud or malpractices (if any).

During the financial year 2024, 30 reports were presented to the Audit Committee incorporating the AGD findings, recommendations and Management's comments.

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 internal audit function incurred a total cost of approximately RM747,000 for the financial year 2024.

The Internal Audit function has 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 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 16 May 2024.



# REPORT OF THE REMUNERATION COMMITTEE

## COMPOSITION OF MEMBERS

### Members

The Committee comprises the following members:

Chairman : Yong Chung Sin  
 Member : Soh Ban Ting  
           Dr. Chee Yau Kuan @ Chia Yan Kuan  
 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](http://www.kimloong.com.my).

## SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met twice during the financial year 2024. 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	Number of Meeting attended by member
Yong Chung Sin	2	2
Soh Ban Ting	2	2
Dr. Chee Yau Kuan @ Chia Yan Kuan	2	2

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 16 May 2024.

# REPORT OF THE NOMINATING COMMITTEE

## COMPOSITION OF MEMBERS

### Members

The Committee comprises the following members:

Chairman	: Yong Chung Sin
Member	: Soh Ban Ting
	Dr. Chee Yau Kuan @ Chia Yan Kuan
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](http://www.kimloong.com.my).

## SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2024.

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	Number of Meeting attended by member
Yong Chung Sin	1	1
Soh Ban Ting	1	1
Dr. Chee Yau Kuan @ Chia Yan Kuan	1	1

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

- Reviewed the re-election of Directors retiring at the AGM as provided in the Constitution of the Company;
- Reviewed the appointment of Directors;
- Assessed the independence of Independent Directors;
- Reviewed the composition and the required mix of skills, experience and other qualities of the Board and gender diversity; and
- 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.

## FORMALISED DIRECTORS' FIT AND PROPER POLICY

On 17 May 2022, the Company established the Directors' Fit and Proper Policy for the appointment and re-election of Directors of the Company and its subsidiaries as required by Paragraph 15.01A of the Main Market Listing Requirements. The Directors' Fit and Proper Policy serves as a guide to the Nominating Committee and the Board in their review and assessment of candidates who are to be appointed to the Board of the Company as well as Directors who are seeking for re-election at the AGM. This is to ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his / her role as a Director of the Company.

The Directors' Fit and Proper Policy is available on the Company's website at [www.kimloong.com.my](http://www.kimloong.com.my).

## REPORT OF THE REMUNERATION COMMITTEE

(CONT'D)

### ANNUAL EVALUATION

The annual assessment on the Board, its Committees and each individual Director and Audit Committee member was carried out internally using self-evaluation forms extracted from the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad.

In conducting the evaluation, the following criteria were adopted by the Nominating Committee:–

- Board mix and composition;
- Quality of information and decision making;
- Boardroom activities;
- Board's relationship with the management;
- Board committee's evaluation;
- Fit and proper;
- Contribution and performance;
- Caliber and personality;
- Financial literacy; and
- Controls, risk management and compliance.

The results of the duly completed self-evaluation forms received from the Directors and Audit Committee members were tabled to the Nominating Committee for consideration. The Nominating Committee is satisfied that the Board has a good mix of skills, experience and qualities and each of the Directors has the professionalism, competence, experience, time commitment, integrity and character to effectively discharge their role as a Director.

The Nominating Committee is also satisfied with the performance of the Audit Committee and each of Audit Committee members who have carried out their duties in accordance with their Terms of Reference.

The results from the Nominating Committee were reported to the Board.

This Report is made in accordance with a resolution of the Board of Directors dated 16 May 2024.

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

## 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 2024.

## 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	177,858,791	143,236,991
Profit net of tax attributable to:		
Owners of the Company	147,751,049	143,236,991
Non-controlling interests	30,107,742	-
	177,858,791	143,236,991

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 declared or paid by the Company since 31 January 2023 were as follows:

	RM
In respect of the financial year ended 31 January 2023 as reported in the directors' report of that year:	
- Special single-tier dividend of 5 sen per share on 967,016,321 ordinary shares, declared on 28 December 2022 and paid on 16 February 2023	48,350,816
- Final single-tier dividend of 5 sen per share on 969,370,890 ordinary shares, declared on 29 March 2023 and paid on 29 August 2023	48,468,544
In respect of the financial year ended 31 January 2024:	
- First interim single-tier dividend of 5 sen per share on 970,180,060 ordinary shares, declared on 27 September 2023 and paid on 15 November 2023	48,509,003
- Special single-tier dividend of 3 sen per share on 972,660,452 ordinary shares, declared on 28 December 2023 and paid on 22 February 2024	29,179,814
- Second interim single-tier dividend of 5 sen per share on 975,077,687 ordinary shares, declared on 26 March 2024 and paid on 15 May 2024	48,753,884
	223,262,061

The Directors do not recommend the payment of any final dividend for the current financial year.



# 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 *	
Gooi Chuen Kang	(Alternate Director to Gooi Seong Heen)
Yong Chung Sin	
Soh Ban Ting (f)	
Dr. Chee Yau Kuan @ Chia Yan Kuan	
Gooi Tsih Ern *	(Alternate Director to Gooi Seong Lim)
	(Appointed on 20 June 2023)
Gooi Khai Chien *	(Alternate Director to Gooi Seong Lim)
	(Resigned on 20 June 2023)

\* 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:

Gooi Khai Chien	(Alternate Director to Gooi Seong Lim)
Dato' Tan Sui Hou	
Datuk Yusoff @ Hunter Bin Mohamed Kasim	
Gan Liong Hoe @ Zephyrinus	
Lee Nyuk Choon @ Jamilah Ariffin (f)	
Andree Alexander Funk	
George Lentton Anak Indang	
Zainah Binte Ibrahim (f)	
Quek Sai Luang (f)	
Chang Chow Swan	
Yeo Jon Tian @ Eeyo Jon Thiam	
Datuk Tuan Hj Mohamed Bin Mahmood	
Tuan Hj Ramley Bin Othman	
Gee Ping Tou	
Lim Chor Lan (f)	
Mohd Shah bin Kardi	
Mohd Faiz bin Md Yasin	
Samry Bin Suhaimin	
Emiliana Chin Yen Ling (f)	
Tuan Hj Othman Bin Taib	
YBhg Datu Sr. Zaidi bin Haji Mahdi	(Appointed on 1 May 2024)
Shahron @ Omar Bin Osin	(Resigned on 5 January 2024)
Datu Monaliza Binti Zaidel (f)	(Resigned on 13 March 2024)

## 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 31 to the financial statements.

The Directors' benefits are as follows:

	Group RM	Company RM
Salaries and other emoluments	7,758,900	5,176,500
Fees	636,000	288,000
Defined contribution plan	1,258,465	832,390
Social security costs	17,827	2,971
Estimated money value of benefits-in-kind	52,951	50,470
	9,724,143	6,350,331

### 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:

	Date of appointment/ 1.2.2023	Number of ordinary shares		
		Acquired	Sold	31.1.2024
The Company				
Gooi Seong Lim				
- direct interest	6,102,532	-	-	6,102,532
- indirect interest	632,435,972	-	-	632,435,972
Gooi Seong Heen				
- direct interest	5,568,922	-	-	5,568,922
- indirect interest	628,227,576	-	-	628,227,576
Gooi Seong Chneh				
- direct interest	5,127,922	-	-	5,127,922
- indirect interest	628,227,576	-	-	628,227,576
Gooi Seong Gum				
- direct interest	397,800	19,890	-	417,690
- indirect interest	628,378,776	25,200	-	628,403,976

# DIRECTORS' REPORT

(CONT'D)

## Directors' interests (cont'd)

	Date of appointment/ 1.2.2023	Number of ordinary shares		
		Acquired	Sold	31.1.2024
The Company (cont'd)				
Gooi Tsih Ern				
- indirect interest	3,149,996	-	-	3,149,996
Dr. Chee Yau Kuan @ Chia Yan Kuan				
- direct interest	744,100	30,095	-	774,195
- indirect interest	1,965,758	95,787	-	2,061,545

	1.2.2023	Number of warrants 2018/2025		31.1.2024
		Acquired	Exercised	
<b>The Company</b>				
Gooi Seong Gum				
- direct interest	19,890	-	19,890	-
- indirect interest	25,200	-	25,200	-
Dr. Chee Yau Kuan @				
Chia Yan Kuan				
- direct interest	30,095	-	30,095	-
- indirect interest	95,787	-	95,787	-

	1.2.2023	Number of ordinary shares		
		Acquired	Converted	31.1.2024
<b>Holding company</b>				
<b>Sharikat Kim Loong Sendirian Berhad</b>				
Gooi Seong Lim				
- direct interest	22,115	-	22,115	-
- indirect interest	61,135	-	11,260	49,875
Gooi Seong Heen				
- direct interest	22,115	-	22,115	-
- indirect interest	61,135	-	11,260	49,875
Gooi Seong Chneh				
- direct interest	22,115	-	22,115	-
- indirect interest	61,135	-	11,260	49,875
Gooi Seong Gum				
- direct interest	22,115	-	22,115	-
- indirect interest	61,135	-	11,260	49,875

# DIRECTORS' REPORT

(CONT'D)

## Directors' interests (cont'd)

	Date of appointment/ 1.2.2023	Number of ordinary shares		
		Acquired	Sold	31.1.2024
Related corporation				
Crescendo Corporation Berhad				
Gooi Seong Lim				
- direct interest	1,130,452	170,000	-	1,300,452
- 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				
- direct interest	-	40,000	-	40,000
- indirect interest	192,148,114	-	-	192,148,114
Gooi Tsih Ern				
- indirect interest	3,775,672	-	-	3,775,672
	1.2.2023	Number of ordinary shares Acquired	Sold	31.1.2024

## 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' REPORT

(CONT'D)

## Directors' interests (cont'd)

	1.2.2023	Number of ordinary shares		31.1.2024
		Acquired	Sold	
<b>Related corporation</b>				
<b>Panoramic Housing Development Sdn. Bhd.</b>				
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 5,644,131 new ordinary shares pursuant to the exercise of 5,644,131 warrants and the relevant details are disclosed in Note 28(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 resold 558,000 treasury shares in the open market for net proceeds of RM1,144,862. The Company did not acquire any shares in the Company through purchases on Bursa Malaysia during the financial year.

At 31 January 2024, the Company held as treasury shares a total of 1,248,000 of its 974,466,452 issued ordinary shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. Such treasury shares are held at a carrying amount of RM1,123,513 and further relevant details are disclosed in Note 28(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)

## Subsequent event

Details of a subsequent event are disclosed in Note 39 to the financial statements.

## 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.

# DIRECTORS' REPORT

(CONT'D)

## 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	481,000	85,000
- Other services	9,000	9,000
	490,000	94,000

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 2024.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 16 May 2024.

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 115 to 175 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 2024 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 16 May 2024.

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 115 to 175 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 16 May 2024	)	Chow Kok Hiang

Before me,

Nur Amreeta Kaur Gubachen Singh  
No. J276  
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 2024 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 material accounting policy information, as set out on pages 115 to 175.

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 2024, 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 significance 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 2.8 and 4 to the financial statements)

Revenue from sale of palm oil milling products recognised by the Group during the year amounted to RM1.48 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)

## *Key audit matters (cont'd)*

Revenue recognition (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. using data analytics to audit the revenue recognised by establishing the correlation between revenue, trade receivables, and cash and bank balances. For entities on which data analytics are not being applied, inspecting documents on a sampling basis that evidenced the sales of goods to customers;
- iii. 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
- iv. 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's 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

Tan Jin Xiang  
03348/01/2026 J  
Chartered Accountant

Johor Bahru, Malaysia  
Date: 16 May 2024

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	Note	2024	Group	2023	Company
	RM	RM	RM	RM	2023
Revenue	4	1,526,132,895	1,908,343,013	46,100,218	45,681,573
Cost of sales	5	(1,250,294,997)	(1,608,886,668)	(22,059,241)	(19,255,340)
<b>Gross profit</b>		<b>275,837,898</b>	<b>299,456,345</b>	<b>24,040,977</b>	<b>26,426,233</b>
<b>Other items of income</b>	6	<b>17,581,691</b>	<b>13,529,258</b>	<b>152,122,961</b>	<b>140,651,400</b>
<b>Other items of expense</b>					
Distribution cost		(22,181,514)	(21,567,638)	(2,965,505)	(2,495,511)
Administrative expenses		(32,455,088)	(31,500,684)	(18,007,262)	(17,989,627)
Finance costs	7	(2,489,648)	(2,402,269)	-	-
Other expenses		(4,009,768)	(5,071,868)	(7,219,294)	(5,125,571)
<b>Profit before tax</b>	8	<b>232,283,571</b>	<b>252,443,144</b>	<b>147,971,877</b>	<b>141,466,924</b>
Taxation	11	(54,424,780)	(52,758,757)	(4,734,886)	(6,257,536)
<b>Profit net of tax</b>		<b>177,858,791</b>	<b>199,684,387</b>	<b>143,236,991</b>	<b>135,209,388</b>
<b>Other comprehensive income</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Net movement on cash flow hedge		-	6,752,000	-	1,847,250
Tax relating to cash flow hedge		-	(1,620,480)	-	(443,340)
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>5,131,520</b>	<b>-</b>	<b>1,403,910</b>
<b>Total comprehensive income for the year</b>		<b>177,858,791</b>	<b>204,815,907</b>	<b>143,236,991</b>	<b>136,613,298</b>
<b>Profit net of tax attributable to:</b>					
Owners of the Company		147,751,049	162,257,036	143,236,991	135,209,388
Non-controlling interests		30,107,742	37,427,351	-	-
		<b>177,858,791</b>	<b>199,684,387</b>	<b>143,236,991</b>	<b>135,209,388</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		147,751,049	167,388,556	143,236,991	136,613,298
Non-controlling interests		30,107,742	37,427,351	-	-
		<b>177,858,791</b>	<b>204,815,907</b>	<b>143,236,991</b>	<b>136,613,298</b>
<b>Earnings per share attributable to owners of the Company (sen per share):</b>					
- Basic	12	15.25	16.79		
- Diluted	12	15.22	16.73		

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2024

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	275,083,587	271,656,339	12,299,891	12,524,440
Right-of-use assets	14	325,804,529	331,651,942	165,492,088	168,409,438
Bearer plants	15	132,072,844	134,202,142	28,921,550	30,911,570
Investment in subsidiaries	17	-	-	47,118,894	46,802,003
Other receivables	20	-	-	102,730,000	120,928,995
Deferred tax assets	27	2,489,800	6,211,840	-	-
Prepayments for acquisition of property, plant and equipment		7,632,154	3,855,635	367,595	-
		743,082,914	747,577,898	356,930,018	379,576,446
<b>Current assets</b>					
Inventories	18	43,023,990	58,196,381	607,980	609,075
Biological assets	19	4,558,000	5,565,000	732,000	1,035,000
Trade and other receivables	20	43,148,043	48,058,167	9,748,947	5,961,856
Prepayments		1,578,073	1,496,957	87,727	61,934
Tax recoverable		2,536,192	2,845,310	-	-
Short term funds	22	243,321,856	164,877,311	112,890,116	79,341,063
Cash and bank balances	23	175,474,491	234,991,636	40,036,908	46,870,707
		513,640,645	516,030,762	164,103,678	133,879,635
<b>Total assets</b>		1,256,723,559	1,263,608,660	521,033,696	513,456,081
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	25	91,752,899	98,975,969	7,123,234	6,293,249
Loans and borrowings	26	15,964,115	12,951,157	-	-
Derivatives	21	2,625	47,725	-	-
Dividend payable		29,179,814	48,350,816	29,179,814	48,350,816
Tax payable		12,583,352	10,982,206	1,443,395	523,422
		149,482,805	171,307,873	37,746,443	55,167,487
<b>Net current assets</b>		364,157,840	344,722,889	126,357,235	78,712,148

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2024 (CONT'D)

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
<b>Non-current liabilities</b>					
Loans and borrowings	26	35,490,000	45,486,000	-	-
Deferred tax liabilities	27	91,326,688	93,114,796	42,590,228	43,717,844
		126,816,688	138,600,796	42,590,228	43,717,844
<b>Total liabilities</b>		276,299,493	309,908,669	80,336,671	98,885,331
<b>Net assets</b>		980,424,066	953,699,991	440,697,025	414,570,750
<b>Equity attributable to owners of the Company</b>					
Share capital	28	380,891,436	371,864,778	380,891,436	371,864,778
Treasury shares	28(c)	(1,123,513)	(1,625,853)	(1,123,513)	(1,625,853)
Retained earnings	30	485,149,022	464,147,687	60,929,102	44,331,825
		864,916,945	834,386,612	440,697,025	414,570,750
<b>Non-controlling interests</b>		115,507,121	119,313,379	-	-
<b>Total equity</b>		980,424,066	953,699,991	440,697,025	414,570,750
<b>Total equity and liabilities</b>		1,256,723,559	1,263,608,660	521,033,696	513,456,081

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 2024

		Attributable to owners of the Company					
		Non-distributable		Distributable		Non-distributable	
Note	Total equity	Total	Share capital (Note 28)	Hedging reserve (Note 29)	Retained earnings (Note 30)	Treasury shares (Note 28(c))	Non-controlling interests
At 1 February 2023							
Changes in equity for the year:							
Profit net of tax, representing total comprehensive income							
Transactions with owners							
28(b)	Issuance of shares arising from exercise of warrants	7,901,783	9,026,658	-	464,147,687	(1,625,853)	119,313,379
	Issuance of shares to non-controlling interest of a subsidiary company	150,000	-	-	-	-	-
	Resale of treasury shares	1,144,862	1,144,862	-	642,522	502,340	150,000
28(c)	Waiver of intragroup debts	-	(110,000)	-	(110,000)	-	110,000
	Dividends payable to non-controlling interests	(34,174,000)	-	-	-	-	(34,174,000)
	Dividends for the year ended - 31 January 2023	(48,468,544)	(48,468,544)	-	(48,468,544)	-	-
38	- 31 January 2024	(77,688,817)	(77,688,817)	-	(77,688,817)	-	-
Total transactions with owners							
At 31 January 2024							
		980,424,066	864,916,945	380,891,436	-	485,149,022	(1,123,513)
							115,507,121

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

		Attributable to owners of the Company						
		Attributable to owners of the Company		Non-distributable		Distributable		Non-controlling interests
		Total equity	Total	Share capital	Hedging reserve	Retained earnings	Treasury shares	
		RM	RM	(Note 28)	(Note 29)	(Note 30)	(Note 28(c))	RM
		RM	RM	RM	RM	RM	RM	RM
<b>At 1 February 2022</b>		919,424,985	809,802,957	369,304,297	(5,131,520)	447,256,033	(1,625,853)	109,622,028
<b>Changes in equity for the year:</b>								
Profit net of tax		199,684,387	162,257,036	-	-	162,257,036	-	37,427,351
Other comprehensive income		5,131,520	5,131,520	-	5,131,520	-	-	-
<b>Total comprehensive income</b>		204,815,907	167,388,556	-	5,131,520	162,257,036	-	37,427,351
<b>Transactions with owners</b>								
Issuance of shares arising from exercise of warrants	28(b)	2,241,401	2,241,401	2,560,481	-	(319,080)	-	-
Dividends payable to non-controlling interests		(27,736,000)	-	-	-	-	-	(27,736,000)
Dividends for the year ended - 31 January 2022	38	(48,347,743)	(48,347,743)	-	-	(48,347,743)	-	-
- 31 January 2023	38	(96,698,559)	(96,698,559)	-	-	(96,698,559)	-	-
<b>Total transactions with owners</b>		(170,540,901)	(142,804,901)	2,560,481	-	(145,365,382)	-	(27,736,000)
<b>At 31 January 2023</b>		953,699,991	834,386,612	371,864,778	-	464,147,687	(1,625,853)	119,313,379



# COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

	Note	Total equity RM	Share capital (Note 28) RM	Non-distributable Hedging reserve (Note 29) RM	← Distributable → Retained earnings (Note 30) RM	Treasury shares (Note 28(c)) RM
<b>At 1 February 2023</b>		414,570,750	371,864,778	-	44,331,825	(1,625,853)
<b>Changes in equity for the year:</b>						
<b>Profit net of tax, representing total comprehensive income</b>		143,236,991	-	-	143,236,991	-
<b>Transactions with owners</b>						
Issuance of shares arising from exercise of warrants	28(b)	7,901,783	9,026,658	-	(1,124,875)	-
Resale of treasury shares	28(c)	1,144,862	-	-	642,522	502,340
Dividends for the year ended						
- 31 January 2023	38	(48,468,544)	-	-	(48,468,544)	-
- 31 January 2024	38	(77,688,817)	-	-	(77,688,817)	-
<b>Total transactions with owners</b>		(117,110,716)	9,026,658	-	(126,639,714)	502,340
<b>At 31 January 2024</b>		440,697,025	380,891,436	-	60,929,102	(1,123,513)
<b>At 1 February 2022</b>		420,762,353	369,304,297	(1,403,910)	54,487,819	(1,625,853)
<b>Changes in equity for the year:</b>						
Profit net of tax		135,209,388	-	-	135,209,388	-
Other comprehensive income		1,403,910	-	1,403,910	-	-
<b>Total comprehensive income</b>		136,613,298	-	1,403,910	135,209,388	-
<b>Transactions with owners</b>						
Issuance of shares arising from exercise of warrants	28(b)	2,241,401	2,560,481	-	(319,080)	-
Dividends for the year ended						
- 31 January 2022	38	(48,347,743)	-	-	(48,347,743)	-
- 31 January 2023	38	(96,698,559)	-	-	(96,698,559)	-
<b>Total transactions with owners</b>		(142,804,901)	2,560,481	-	(145,365,382)	-
<b>At 31 January 2023</b>		414,570,750	371,864,778	-	44,331,825	(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 2024

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
<b>Operating activities</b>				
Cash receipts from customers	1,537,392,314	1,921,409,533	56,119,177	55,925,444
Rental received	207,792	308,912	51,512	166,027
Interest received	8,262,341	8,468,938	8,787,731	9,473,888
Dividends received	-	-	130,730,000	121,550,000
Cash paid to suppliers and employees	(1,257,895,667)	(1,664,836,297)	(39,726,712)	(37,764,035)
Cash generated from operations	287,966,780	265,351,086	155,961,708	149,351,324
Interest paid	(2,493,074)	(2,393,565)	-	-
Net tax paid	(50,586,084)	(49,946,726)	(4,948,029)	(6,852,310)
<b>Net cash generated from operating activities</b>	<b>234,887,622</b>	<b>213,010,795</b>	<b>151,013,679</b>	<b>142,499,014</b>
<b>Investing activities</b>				
Acquisition of property, plant and equipment, and bearer plants (Note a)	(44,458,005)	(63,815,866)	(1,274,470)	(2,242,898)
Advances to subsidiaries	-	-	(1,096,708)	(16,170,000)
Repayments from subsidiaries	-	-	14,750,000	17,300,000
Additional investment in existing subsidiaries	-	-	(1,649,892)	-
Net investment in short term funds	(73,368,961)	(60,944,044)	(31,539,368)	(50,775,116)
Proceeds from disposal of property, plant and equipment (Note b)	1,826,321	803,192	384,040	-
Proceeds from disposal of investment properties	-	6,236,668	-	6,236,668
Real property gains tax refunded/(paid)	5,500	(75,357)	5,500	(75,357)
<b>Net cash used in investing activities</b>	<b>(115,995,145)</b>	<b>(117,795,407)</b>	<b>(20,420,898)</b>	<b>(45,726,703)</b>
<b>Financing activities</b>				
Dividends paid	(145,328,363)	(135,312,099)	(145,328,363)	(135,312,099)
Dividends paid to non-controlling interests	(34,150,000)	(27,736,000)	-	-
Proceeds from issuance of shares	7,901,783	2,241,401	7,901,783	2,241,401
Proceeds from issuance of shares to non-controlling interest	150,000	-	-	-
Net increase in restricted cash	(19,988)	(12,766)	-	-
Proceeds from bank borrowings	3,000,000	7,000,000	-	-
Repayments of bank borrowings	(9,996,000)	(14,996,000)	-	-
<b>Net cash used in financing activities</b>	<b>(178,442,568)</b>	<b>(168,815,464)</b>	<b>(137,426,580)</b>	<b>(133,070,698)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(59,550,091)</b>	<b>(73,600,076)</b>	<b>(6,833,799)</b>	<b>(36,298,387)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>233,904,729</b>	<b>307,504,805</b>	<b>46,870,707</b>	<b>83,169,094</b>
<b>Cash and cash equivalents at the end of the year (Note 23)</b>	<b>174,354,638</b>	<b>233,904,729</b>	<b>40,036,908</b>	<b>46,870,707</b>

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### Note a: Acquisition of property, plant and equipment and bearer plants

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current year additions to:				
- Property, plant and equipment (Note 13)	33,636,645	33,380,171	906,875	1,358,508
- Bearer plants (Note 15)	8,026,867	10,988,860	-	1,220,969
Less depreciation capitalised (Note 15)	(348,355)	(1,317,973)	-	(336,579)
Cash paid for prior year's acquisition	3,390,523	24,171,900	-	-
Unpaid balances of current year's acquisition included under payables	(4,268,963)	(3,823,380)	-	-
Prepayment/deposits paid in prior year	(1,960,000)	(1,688,450)	-	-
Prepayment/deposits paid in current year	5,981,288	2,104,738	367,595	-
Cash paid	44,458,005	63,815,866	1,274,470	2,242,898

### Note b: Proceeds from disposal of property, plant and equipment

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Sale proceeds from disposals during the year	1,811,321	818,192	384,040	-
Add: amount received during the year in respect of disposal in prior year	15,000	-	-	-
Less: amount included under receivables	-	(15,000)	-	-
Cash received	1,826,321	803,192	384,040	-

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024

## 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. Material accounting policy information

### 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 2023, the Group and the Company adopted the following Standard and Amendments mandatory for annual financial periods beginning on or after 1 January 2023:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	
- 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
- International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendment to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 2. Material accounting policy information (cont'd)

### 2.2 Changes in accounting policies (cont'd)

The Standard and Amendments above did not have any material impact on the financial statements in the year of initial adoption, except for:

#### **Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)**

The Amendments to MFRS 101 requires entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

To support the Amendments to MFRS 101, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The Amendments have had an impact on the Group's and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

### 2.3 Amendments issued but not yet effective

The 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 Amendments if applicable, when they become effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendment to MFRS 16: Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2024
- Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107: Statement of Cash Flows and MFRS 7: Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors expect that the adoption of the above Amendments will not have material impact on the financial statements of the Group and of the Company in the period of initial application.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 2. Material accounting policy information (cont'd)

### 2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold lands have unlimited useful life and therefore is not depreciated. Work-in-progress are also not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Buildings	10 - 50
Plant and machinery	4 - 17
Equipment, furniture and fittings	5 - 17
Motor vehicles	10

### 2.5 Bearer plants

Bearer plants are living plant 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. The mature bearer plants are depreciated over its estimated useful lives of 20 years on a straight-line basis. The immature bearer plants are not depreciated until such time when it is available for use.

### 2.6 Financial instruments

#### (a) Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as and subsequently measured at:

##### - **Financial assets at amortised cost (debt instruments)**

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**

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.

Short term funds are investments in unit trust funds carried in the statements of financial position at fair value with net changes in fair value recognised in statements of comprehensive income.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 2. Material accounting policy information (cont'd)

### 2.6 Financial instruments (cont'd)

#### (a) Financial assets (cont'd)

##### 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.

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 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

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

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- ***Financial liabilities at fair value through profit or loss***

This category comprises the Group's and the Company's derivative instruments which are not designated as hedging instruments.

- ***Financial liabilities at amortised cost***

The financial liabilities of the Group and of the Company measured at amortised cost include trade and other payables and loans and borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 2. Material accounting policy information (cont'd)

### 2.7 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 the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.8 Revenue recognition

#### (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) Supply of electricity

The supply of electricity represents a promise to transfer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. The performance obligation to deliver electricity is satisfied over time as the customers simultaneously received and consumed the benefits provided by the Group's performance. Hence, electricity revenue is recognised over time by the Group when electricity is consumed by customers.

#### (c) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

#### (d) Management fees

Management fees are recognised when services are rendered.

#### (e) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

#### (f) 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.

### 2.9 Leases

#### (i) As a 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. When the assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. The accounting policy for lease income is set out in Note 2.8(f).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 2. Material accounting policy information (cont'd)

### 2.9 Leases (cont'd)

#### (ii) As a lessee

- Right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

#### Number of years

Leasehold land

30 - 770

- Lease liabilities

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

- Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## 3. Significant accounting estimates and judgements

The preparation of the Group's and of the Company's financial statements require 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 3. Significant accounting estimates and judgements (cont'd)

#### Key sources of estimation uncertainty (cont'd)

##### (ii) Deferred tax assets

Deferred tax assets are recognised for unused tax losses, capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The management's estimates of future taxable profits 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 statements of financial position.

Further details on 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. These non-financial assets are then tested for impairment when there are indicators that the carrying amounts may not be recoverable.

##### Property, plant and equipment, right-of-use assets and bearer plants

The carrying amount of property, plant and equipment, right-of-use assets and bearer plants of the Group as at 31 January 2024 was RM732,960,960 (2023: RM737,510,423). The Group has recognised impairment losses in respect of property, plant and equipment and bearer plants of certain subsidiaries and the accumulated impairment losses amounted to RM9,765,714 (2023: RM9,164,457). At the reporting date, the Group carried out impairment tests on the assets of certain subsidiaries with indicators of impairment due to continuous losses recorded. The recoverable amounts of these assets were based on fair value less costs to sell. Based on the results of the impairment tests, the Group recorded additional impairment losses of RM837,167 (2023: RM Nil) and a reversal of previously recognised impairment losses of RM235,910 (2023: RM Nil) in respect of its property, plant and equipment. Further details of the impairment losses are disclosed in Note 13 and Note 15.

##### Investment in subsidiaries

The carrying amount of investment in subsidiaries of the Company as at 31 January 2024 was RM47,118,894 (2023: RM46,802,003). The Company has recognised impairment losses in respect of the cost of investment of certain subsidiaries and the accumulated impairment losses amounted to RM7,279,295 (2023: RM5,946,294). At the reporting date, the Company carried out impairment tests on the cost of investment of certain subsidiaries with indicators of impairment due to continuous losses recorded. The recoverable amounts of these subsidiaries were based on their adjusted net assets, after taking into consideration the assets' estimated fair values less costs to sell. Based on the results of the impairment tests, the Company recorded additional impairment losses of RM1,433,000 (2023: RM99,999) and a reversal of previously recognised impairment losses of RM99,999 (2023: RM232,791) in respect of its investment in subsidiaries. Further details of the impairment losses are disclosed in Note 17.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 4. Revenue

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Revenue from contracts with customers:				
Fresh fruit bunches	32,716,204	41,763,621	46,100,218	45,681,573
Palm oil milling products	1,483,044,492	1,861,893,838	-	-
Supply of electricity	10,372,199	4,685,554	-	-
	1,526,132,895	1,908,343,013	46,100,218	45,681,573
<b>Timing of revenue recognition</b>				
At a point in time	1,515,760,696	1,903,657,459	46,100,218	45,681,573
Over time	10,372,199	4,685,554	-	-
	1,526,132,895	1,908,343,013	46,100,218	45,681,573

### 5. Cost of sales

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Cost of goods sold	1,250,294,997	1,608,886,668	22,059,241	19,255,340

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 6. Other items of income

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income from:				
- deposits/short term funds	8,251,706	6,677,327	2,921,891	2,023,867
- subsidiaries	-	-	5,753,321	5,715,004
- others	34,500	34,500	34,500	34,500
Rental income	8,286,206	6,711,827	8,709,712	7,773,371
Sundry income	207,792	308,912	51,512	166,027
Compensation claim	-	2,081,299	-	-
Commission income	-	-	1,668,127	2,161,894
Management fee income	169,740	239,700	7,881,617	7,991,597
Gain on disposal of property, plant and equipment	545,490	56,265	111,742	-
Gain on disposal of investment properties	-	459,572	-	459,572
Gain on fair value change in biological assets	-	-	-	152,000
Fair value gain on derivatives - realised (net)	1,752,147	-	-	-
Gains on fair value changes in short term funds	5,075,584	1,655,998	2,009,685	35,840
Reversal of impairment losses on property, plant and equipment (Note 13)	235,910	-	-	-
Reversal of impairment losses on investment in subsidiaries (Note 17)	-	-	99,999	232,791
Bad debts recovered	-	-	750,000	-
Dividend income from subsidiaries	-	-	130,730,000	121,550,000
	17,581,691	13,529,258	152,122,961	140,651,400

### 7. Finance costs

	Group	
	2024 RM	2023 RM
Interest expense on bank borrowings	2,489,648	2,402,269



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 8. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- Statutory audit	481,000	433,500	85,000	75,000
- Other services	9,000	9,000	9,000	9,000
Employee benefit expenses (Note 9)	74,610,381	70,332,432	18,659,408	18,308,956
Depreciation of:				
- property, plant and equipment (Note 13)	27,768,084	24,750,158	834,640	822,225
- right-of-use assets (Note 14)	5,738,825	5,279,365	2,917,350	2,634,592
- bearer plants (Note 15)	10,094,027	9,771,797	1,990,020	1,649,525
- investment properties (Note 16)	-	33,110	-	33,110
Write off of:				
- property, plant and equipment	270,439	144,456	24,486	8,352
- bearer plants	62,138	-	-	-
- bad debts	17,816	237,342	5,313,519	1,625
- inventories (Note 18)	2,063	-	-	-
Write down of inventories (Note 18)	195,066	78,663	-	-
Allowance for impairment losses on:				
- property, plant and equipment (Note 13)	837,167	-	-	-
- investment in subsidiaries (Note 17)	-	-	1,433,000	99,999
- other receivables (Note 20)	-	-	-	4,380,000
Fair value (gains)/losses on derivatives (Note 21)				
- realised	(1,763,400)	2,586,167	-	570,136
- unrealised	2,625	47,725	-	-
Rental of premises	(1,760,775)	2,633,892	-	570,136
Loss on disposal of property, plant and equipment	297,631	297,631	209,431	209,431
Loss/(gain) on fair value changes in biological assets (Note 19)	61,069	261,739	-	-
	1,007,000	278,000	303,000	(152,000)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 9. Employee benefit expenses

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages and bonuses	67,939,027	65,068,685	16,207,557	16,041,430
Defined contribution plan	6,480,411	6,514,031	2,280,556	2,385,629
Social security costs	713,676	664,574	79,593	79,134
Human Resources Development ("HRD") fund	208,061	280,352	58,921	74,312
Provision for unutilised leave (Note 25(b))	32,781	(92,981)	32,781	(92,981)
Total employee benefit expenses	75,373,956	72,434,661	18,659,408	18,487,524
Amount capitalised in bearer plants (Note 15)	(763,575)	(2,102,229)	-	(178,568)
Total employee benefit expenses recognised in profit or loss	74,610,381	70,332,432	18,659,408	18,308,956

Included in employee benefit expenses of the Group and of the Company are Executive Directors' remuneration amounting to RM9,375,692 (2023: RM9,529,247) and RM6,004,361 (2023: RM6,010,221) respectively as further disclosed in Note 10.

### 10. Directors' remuneration

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Directors of the Company</b>				
Executive:				
Fees	348,000	348,000	-	-
Salaries and other emoluments	7,751,400	7,708,600	5,169,000	5,050,000
Defined contribution plan	1,258,465	1,456,920	832,390	957,600
Social security costs	17,827	15,727	2,971	2,621
	9,375,692	9,529,247	6,004,361	6,010,221
Estimated monetary value of benefits-in-kind	52,951	52,616	50,470	50,454
	9,428,643	9,581,863	6,054,831	6,060,675
Non-Executive:				
Fees	288,000	341,000	288,000	341,000
Other emoluments	7,500	8,000	7,500	8,000
	295,500	349,000	295,500	349,000
	9,724,143	9,930,863	6,350,331	6,409,675

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 11. Taxation

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Income tax:				
- Current year	52,659,372	52,861,219	6,230,000	6,526,000
- (Over)/underprovision in prior year	(163,024)	(185,296)	(361,998)	52,732
	52,496,348	52,675,923	5,868,002	6,578,732
Real property gains tax:				
- Current year	-	75,357	-	75,357
- Overprovision in prior year	(5,500)	-	(5,500)	-
	(5,500)	75,357	(5,500)	75,357
Deferred tax (Note 27):				
- Relating to origination and reversal of temporary differences	1,909,932	(73,523)	(1,172,616)	(357,553)
- Under/(over)provision in prior year	24,000	81,000	45,000	(39,000)
	1,933,932	7,477	(1,127,616)	(396,553)
Tax expense for the year	54,424,780	52,758,757	4,734,886	6,257,536

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

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	2024 RM	2023 RM
Profit before tax	232,283,571	252,443,144
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	55,748,057	60,586,355
Tax effects of:		
- Expenses not deductible for tax purposes	2,247,815	2,557,135
- Income not subject to tax	(1,556,891)	(978,023)
- Lower real property gains tax rate	-	(34,940)
- Deferred tax assets not recognised during the year on deductible temporary differences	181,360	179,788
- Double deductions	(119,805)	(180,575)
- Reinvestment allowances	(2,227,685)	(2,552,339)
- Green investment tax allowances	-	(3,096,000)
- Deferred tax assets recognised on previously unrecognised:		
- unused tax losses	-	(3,708,240)
- Deferred tax assets previously recognised on unabsorbed capital allowances, now derecognised	296,453	89,892
Overprovision of real property gains tax in prior year	(5,500)	-
Overprovision of income tax expense in prior year	(163,024)	(185,296)
Underprovision of deferred tax expense in prior year	24,000	81,000
Tax expense for the year	54,424,780	52,758,757

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 11. Taxation (cont'd)

Company	2024 RM	2023 RM
Profit before tax	147,971,877	141,466,924
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	35,513,250	33,952,062
Tax effects of:		
- Expenses not deductible for tax purposes	1,934,933	1,686,816
- Income not subject to tax	(32,390,799)	(29,360,134)
- Lower real property gains tax rate	-	(34,940)
Overprovision of real property gains tax in prior year	(5,500)	-
(Over)/underprovision of income tax expense in prior year	(361,998)	52,732
Under/(over)provision of deferred tax expense in prior year	45,000	(39,000)
Tax expense for the year	4,734,886	6,257,536

### 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.

	2024	Group 2023
Profit net of tax attributable to owners of the Company (RM)	147,751,049	162,257,036
Weighted average number of ordinary shares in issue	968,882,427	966,454,932
Basic earnings per share (sen)	15.25	16.79

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 12. Earnings per share (cont'd)

#### (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:

	2024	Group 2023
Profit net of tax attributable to owners of the Company (RM)	147,751,049	162,257,036
Weighted average number of ordinary shares in issue	968,882,427	966,454,932
Effect of dilution arising from unexercised warrants	2,006,445	3,491,742
Adjusted weighted average number of ordinary shares in issue	970,888,872	969,946,674
Diluted earnings per share (sen)	15.22	16.73

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 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
<b>Cost</b>							
At 1 February 2022	22,134,000	109,688,963	335,187,186	17,761,002	22,378,182	45,531,365	552,680,698
Additions	-	872,448	9,751,532	1,005,263	1,836,591	19,914,337	33,380,171
Disposals	-	-	(2,836,353)	(93,012)	(1,105,137)	-	(4,034,502)
Written off	-	(296,813)	(628,738)	(284,518)	(133,246)	-	(1,343,315)
Reclassifications	-	5,458,445	43,649,744	27,653	(673,568)	(48,462,274)	-
At 31 January 2023 and 1 February 2023	22,134,000	115,723,043	385,123,371	18,416,388	22,302,822	16,983,428	580,683,052
Additions	-	563,433	6,798,098	675,859	2,685,520	22,913,735	33,636,645
Disposals	-	-	(3,461,768)	(17,549)	(1,322,637)	-	(4,801,954)
Written off	-	(182,412)	(1,093,818)	(142,727)	-	-	(1,418,957)
Expensed off	-	-	-	-	-	(2,950)	(2,950)
Reclassifications	-	2,144,427	19,758,029	17,621	-	(21,920,077)	-
At 31 January 2024	22,134,000	118,248,491	407,123,912	18,949,592	23,665,705	17,974,136	608,095,836
<b>Accumulated depreciation</b>							
At 1 February 2022	-	53,853,456	201,899,932	11,893,998	11,410,492	-	279,057,878
Charge for the year	-	4,841,523	18,366,157	896,783	1,395,619	-	25,500,082
Disposals	-	-	(2,365,734)	(45,660)	(599,442)	-	(3,010,836)
Written off	-	(236,419)	(610,271)	(218,925)	(133,244)	-	(1,198,859)
Reclassifications	-	-	264,352	(79,707)	(184,645)	-	-
At 31 January 2023 and 1 February 2023	-	58,458,560	217,554,436	12,446,489	11,888,780	-	300,348,265
Charge for the year	-	4,955,936	20,572,321	956,026	1,523,568	-	28,007,851
Disposals	-	-	(2,557,570)	(10,056)	(907,428)	-	(3,475,054)
Written off	-	(160,206)	(864,422)	(123,890)	-	-	(1,148,518)
Reclassifications	-	(127,895)	(531,571)	659,466	-	-	-
At 31 January 2024	-	63,126,395	234,173,194	13,928,035	12,504,920	-	323,732,544



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 13. Property, plant and equipment (cont'd)

Group	Freehold land RM	Buildings RM	Equipment, Plant and machinery RM	furniture and fittings RM	Motor vehicles RM	Construction in progress RM	Total RM
<b>Accumulated impairment losses</b>							
At 1 February 2022, 31 January 2023 and 1 February 2023	-	-	8,567,869	110,579	-	-	8,678,448
Additions (Note 8)	-	-	734,432	102,735	-	-	837,167
Reversal (Note 6)	-	-	(235,910)	-	-	-	(235,910)
At 31 January 2024	-	-	9,066,391	213,314	-	-	9,279,705
<b>Net carrying amount</b>							
At 31 January 2024	22,134,000	55,122,096	163,884,327	4,808,243	11,160,785	17,974,136	275,083,587
At 31 January 2023	22,134,000	57,264,483	159,001,066	5,859,320	10,414,042	16,983,428	271,656,339

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 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
<b>Cost</b>						
At 1 February 2022	12,096,536	4,474,440	2,673,466	3,528,635	125	22,773,202
Additions	-	605,493	60,113	437,084	255,818	1,358,508
Written off	(34,017)	(2,804)	(56,765)	(133,246)	-	(226,832)
Reclassifications	185,851	-	-	-	(185,851)	-
At 31 January 2023 and 1 February 2023	12,248,370	5,077,129	2,676,814	3,832,473	70,092	23,904,878
Additions	186,579	291,589	59,616	357,238	11,853	906,875
Disposals	-	(615,452)	(6,099)	(637,690)	-	(1,259,241)
Written off	(109,386)	(24,400)	(75,512)	-	-	(209,298)
Reclassifications	70,092	-	-	-	(70,092)	-
At 31 January 2024	12,395,655	4,728,866	2,654,819	3,552,021	11,853	23,343,214
<b>Accumulated depreciation</b>						
At 1 February 2022	3,288,979	3,415,368	2,265,257	1,753,268	-	10,722,872
Charge for the year	239,972	246,702	128,114	261,258	-	876,046
Written off	(34,016)	(2,802)	(48,418)	(133,244)	-	(218,480)
At 31 January 2023 and 1 February 2023	3,494,935	3,659,268	2,344,953	1,881,282	-	11,380,438
Charge for the year	243,275	228,312	84,134	278,919	-	834,640
Disposals	-	(535,379)	(2,897)	(448,667)	-	(986,943)
Written off	(95,569)	(24,395)	(64,848)	-	-	(184,812)
At 31 January 2024	3,642,641	3,327,806	2,361,342	1,711,534	-	11,043,323
<b>Net carrying amount</b>						
At 31 January 2024	8,753,014	1,401,060	293,477	1,840,487	11,853	12,299,891
At 31 January 2023	8,753,435	1,417,861	331,861	1,951,191	70,092	12,524,440

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 13. Property, plant and equipment (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Depreciation charge for the year:</b>				
Amount capitalised in bearer plants (Note 15)	239,767	749,924	-	53,821
Amount recognised in profit or loss (Note 8)	27,768,084	24,750,158	834,640	822,225
	28,007,851	25,500,082	834,640	876,046

### 14. Right-of-use assets

The right-of-use assets comprise solely leasehold land.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cost</b>				
At beginning and end of the financial year	385,148,201	385,148,201	185,912,467	185,912,467
<b>Accumulated depreciation</b>				
At beginning of the financial year	53,496,259	47,648,845	17,503,029	14,585,679
Depreciation charge for the year	5,847,413	5,847,414	2,917,350	2,917,350
At end of the financial year	59,343,672	53,496,259	20,420,379	17,503,029
<b>Net carrying amount</b>				
At end of the financial year	325,804,529	331,651,942	165,492,088	168,409,438
<b>Depreciation charge for the year:</b>				
Amount capitalised in bearer plants (Note 15)	108,588	568,049	-	282,758
Amount recognised in profit or loss (Note 8)	5,738,825	5,279,365	2,917,350	2,634,592
	5,847,413	5,847,414	2,917,350	2,917,350

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 15. Bearer plants

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cost</b>				
At beginning of the financial year	223,731,536	212,742,676	39,493,476	38,272,507
Additions	8,026,867	10,988,860	-	1,220,969
Written off	(3,277,931)	-	-	-
At end of the financial year	228,480,472	223,731,536	39,493,476	39,493,476
<b>Accumulated depreciation</b>				
At beginning of the financial year	89,043,385	79,271,588	8,581,906	6,932,381
Depreciation for the year (Note 8)	10,094,027	9,771,797	1,990,020	1,649,525
Written off	(3,215,793)	-	-	-
At end of the financial year	95,921,619	89,043,385	10,571,926	8,581,906
<b>Accumulated impairment losses</b>				
At beginning and end of the financial year	486,009	486,009	-	-
<b>Net carrying amount</b>				
At end of the financial year	132,072,844	134,202,142	28,921,550	30,911,570
Included in the additions to bearer plants during the financial year are:				
Depreciation of property, plant and equipment (Note 13)	239,767	749,924	-	53,821
Depreciation of right-of-use assets (Note 14)	108,588	568,049	-	282,758
Employee benefit expenses (Note 9)	348,355	1,317,973	-	336,579
	763,575	2,102,229	-	178,568

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 16. Investment properties

Group and Company	Leasehold land RM	Buildings RM	Total RM
<b>Cost</b>			
At 1 February 2022	2,788,080	3,154,562	5,942,642
Disposals	(2,788,080)	(3,154,562)	(5,942,642)
At 31 January 2023, 1 February 2023 and 31 January 2024	-	-	-
<b>Accumulated depreciation</b>			
At 1 February 2022	6,252	126,184	132,436
Depreciation for the year (Note 8)	1,564	31,546	33,110
Disposals	(7,816)	(157,730)	(165,546)
At 31 January 2023, 1 February 2023 and 31 January 2024	-	-	-
<b>Net carrying amount</b>			
At 31 January 2024 and 31 January 2023	-	-	-

### 17. Investment in subsidiaries

	2024 RM	Company 2023 RM
<b>Unquoted shares, at cost</b>		
At beginning of the financial year	52,748,297	52,748,297
Addition	1,649,892	-
At end of the financial year	54,398,189	52,748,297
<b>Accumulated impairment losses</b>		
At beginning of the financial year	5,946,294	6,079,086
Addition (Note 8)	1,433,000	99,999
Reversal (Note 6)	(99,999)	(232,791)
At end of the financial year	7,279,295	5,946,294
<b>Net carrying amount</b>		
At end of the financial year	47,118,894	46,802,003

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 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 (%)	
			2024	2023
<b><i>Held by the Company:</i></b>				
Suhenson Estate Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Selokan Sdn. Bhd.	Malaysia	Dormant	100	100
Kim Loong - KPD Plantations Sdn. Bhd. ("KL-KPD")	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	Processing and marketing of oil palm products and investment holding	100	100
Desa Kim Loong Palm Oil Sdn. Bhd. ("DKLPO")	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 2024 (CONT'D)

### 17. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of effective ownership interest (%)	
			2024	2023
<b><i>Held by Kim Loong Corporation Sdn. Bhd.</i></b>				
Winsome Pelita (Pantu) Sdn. Bhd. ("WPP")	Malaysia	Cultivation of oil palm	60	60
Kim Loong Carus Sdn. Bhd.	Malaysia	Dormant	100	100
<b><i>Held by Okidville Holdings Sdn. Bhd.</i></b>				
Desa Okidville Sdn. Bhd. ("DOSB")	Malaysia	Cultivation of oil palm	51	51
<b><i>Held by Desa Kim Loong Palm Oil Sdn. Bhd.</i></b>				
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
<b><i>Held by Kim Loong Palm Oil Sdn. Bhd.</i></b>				
Kim Loong Palm Oil Mills Sdn. Bhd.	Malaysia	Processing and marketing of oil palm products and investment holding	100	100
<b><i>Held by Kim Loong Palm Oil Mills Sdn. Bhd.</i></b>				
Sungkit Enterprise Sdn. Bhd.	Malaysia	Processing and marketing of oil palm products, investment holding and transportation services	100	100
Kim Loong Evergrow Sdn. Bhd.	Malaysia	Dormant	100	100
Kim Loong Biomass Sdn. Bhd.	Malaysia	Processing of oil palm fibre	75	75
<b><i>Held by Winsome Yields Sdn. Bhd.</i></b>				
Winsome Al-Yatama Sdn. Bhd.	Malaysia	Cultivation of oil palm	61	61

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

**17. Investment in subsidiaries (cont'd)**

Details of the subsidiaries are as follows (cont'd):

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of effective ownership interest (%)	
			2024	2023
<b><i>Held by Okidville Plantations Sdn. Bhd.</i></b>				
Winsome Jaya Sdn. Bhd.	Malaysia	Cultivation of oil palm	67	67
Okidville Resources Sdn. Bhd.	Malaysia	Dormant	95	95
<b><i>Held by Winsome Plantations Sdn. Bhd.</i></b>				
Winsome Pelita (Kranggas) Sdn. Bhd.	Malaysia	Cultivation of oil palm	70	70

Summarised financial information of subsidiaries 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

2024	DOSB RM	KL-KPD RM	DKLPO RM	WPP RM	Total RM
Revenue	47,652,016	28,933,057	587,264,650	30,205,936	694,055,659
Profit before tax	24,873,863	20,005,514	52,227,325	10,199,377	107,306,079
Profit net of tax, representing total comprehensive income	19,038,926	15,411,330	39,681,595	7,710,044	81,841,895
Profit net of tax, representing total comprehensive income attributable to:					
- owners of the Company	9,709,852	10,787,931	27,777,116	4,626,026	52,900,925
- non-controlling interests	9,329,074	4,623,399	11,904,479	3,084,018	28,940,970
	19,038,926	15,411,330	39,681,595	7,710,044	81,841,895
<b>2023</b>					
Revenue	55,171,546	32,045,428	674,624,950	39,380,525	801,222,449
Profit before tax	31,839,838	23,511,466	42,131,615	15,299,999	112,782,918
Profit net of tax, representing total comprehensive income	24,265,178	18,016,735	36,776,414	15,299,305	94,357,632
Profit net of tax, representing total comprehensive income attributable to:					
- owners of the Company	12,375,241	12,611,715	25,743,490	9,179,583	59,910,029
- non-controlling interests	11,889,937	5,405,020	11,032,924	6,119,722	34,447,603
	24,265,178	18,016,735	36,776,414	15,299,305	94,357,632

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 17. Investment in subsidiaries (cont'd)

Summarised financial information of subsidiaries 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

2024	DOSB RM	KL-KPD RM	DKLPO RM	WPP RM	Total RM
Non-current assets	60,714,783	36,998,027	70,398,423	36,078,099	204,189,332
Current assets	58,351,697	56,670,297	118,263,713	3,306,337	236,592,044
Total assets	119,066,480	93,668,324	188,662,136	39,384,436	440,781,376
Current liabilities	3,517,230	2,625,949	44,915,187	32,095,839	83,154,205
Non-current liabilities	9,427,765	8,661,246	5,097,242	20,484,000	43,670,253
Total liabilities	12,944,995	11,287,195	50,012,429	52,579,839	126,824,458
Net assets/(liabilities)	106,121,485	82,381,129	138,649,707	(13,195,403)	313,956,918
Equity attributable to:					
- owners of the Company	54,121,957	57,666,790	97,054,795	(7,917,242)	200,926,300
- non-controlling interests	51,999,528	24,714,339	41,594,912	(5,278,161)	113,030,618
	106,121,485	82,381,129	138,649,707	(13,195,403)	313,956,918
<b>2023</b>					
Non-current assets	60,157,566	36,524,527	70,296,425	39,725,448	206,703,966
Current assets	65,464,100	71,373,185	113,857,119	3,772,222	254,466,626
Total assets	125,621,666	107,897,712	184,153,544	43,497,670	461,170,592
Current liabilities	4,204,854	2,356,870	45,212,726	34,247,117	86,021,567
Non-current liabilities	9,334,253	8,571,043	4,972,706	26,196,000	49,074,002
Total liabilities	13,539,107	10,927,913	50,185,432	60,443,117	135,095,569
Net assets/(liabilities)	112,082,559	96,969,799	133,968,112	(16,945,447)	326,075,023
Equity attributable to:					
- owners of the Company	57,162,105	67,878,859	93,777,679	(10,167,268)	208,651,375
- non-controlling interests	54,920,454	29,090,940	40,190,433	(6,778,179)	117,423,648
	112,082,559	96,969,799	133,968,112	(16,945,447)	326,075,023

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 17. Investment in subsidiaries (cont'd)

Summarised financial information of subsidiaries 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

	DOSB RM	KL-KPD RM	DKLPO RM	WPP RM	Total RM
<b>2024</b>					
Net cash generated from operating activities	19,858,275	16,541,139	60,947,573	13,597,817	110,944,804
Net cash used in investing activities	(11,505,428)	(6,250,420)	(37,477,010)	(2,122,531)	(57,355,389)
Net cash used in financing activities	(25,000,000)	(30,000,000)	(35,000,000)	(11,612,000)	(101,612,000)
Net decrease in cash and cash equivalents	(16,647,153)	(19,709,281)	(11,529,437)	(136,714)	(48,022,585)
Cash and cash equivalents at beginning of the year	30,288,117	37,546,013	48,893,240	1,198,484	117,925,854
Cash and cash equivalents at end of the year	13,640,964	17,836,732	37,363,803	1,061,770	69,903,269
<b>2023</b>					
Net cash generated from operating activities	28,311,205	18,888,661	30,238,352	21,342,018	98,780,236
Net cash used in investing activities	(4,865,024)	(2,535,941)	(18,886,061)	(708,575)	(26,995,601)
Net cash used in financing activities	(22,000,000)	(22,000,000)	(22,000,000)	(23,202,000)	(89,202,000)
Net increase/(decrease) in cash and cash equivalents	1,446,181	(5,647,280)	(10,647,709)	(2,568,557)	(17,417,365)
Cash and cash equivalents at beginning of the year	28,841,936	43,193,293	59,540,949	3,767,041	135,343,219
Cash and cash equivalents at end of the year	30,288,117	37,546,013	48,893,240	1,198,484	117,925,854

#### (iv) Dividends paid to non-controlling interests

	DOSB RM	KL-KPD RM	DKLPO RM	WPP RM	Total RM
<b>2024</b>	12,250,000	9,000,000	10,500,000	1,560,000	33,310,000
<b>2023</b>	10,780,000	6,600,000	6,600,000	1,536,000	25,516,000

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 18. Inventories

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cost</b>				
Raw materials	2,548,823	890,979	-	-
Finished goods	15,981,107	43,831,298	-	-
Building materials, supplies, spare parts and consumables	15,384,939	13,364,456	607,980	609,075
	33,914,869	58,086,733	607,980	609,075
<b>Net realisable value</b>				
Finished goods	9,109,121	109,648	-	-
	43,023,990	58,196,381	607,980	609,075
<b>Recognised in profit or loss:</b>				
Inventories recognised as cost of sales (Note 5)	1,250,294,997	1,608,886,668	22,059,241	19,255,340
Write-down to net realisable value (Note 8)	195,066	78,663	-	-
Write off of inventories (Note 8)	2,063	-	-	-

### 19. Biological assets

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>At fair value</b>				
Fresh fruit bunches				
At beginning of the financial year	5,565,000	5,843,000	1,035,000	883,000
Changes in fair value less costs to sell (Note 8)	(1,007,000)	(278,000)	(303,000)	152,000
At end of the financial year	4,558,000	5,565,000	732,000	1,035,000

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 and the Company 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 plants of up to 14 days prior to harvest. 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 laboratory tests. Costs to sell include harvesting cost, transport and windfall profit levy.

During the financial year, the Group and the Company harvested approximately 329,600 MT (2023: 287,000 MT) and 63,900 MT (2023: 53,200 MT) of FFB respectively.

As at 31 January 2024, none of the biological assets are pledged as securities for liabilities.

The fair value measurement of the Group's and of the Company's biological assets is 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 increased or decreased by approximately RM543,000 (2023: RM672,000) and RM91,000 (2023: RM128,000) respectively.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 19. Biological assets (cont'd)

The key assumptions used to determine the fair value are as follows:

	Group		Company	
	2024	2023	2024	2023
<u>Oil palms</u>				
FFB that are expected to be harvested (MT)	9,587	11,406	1,600	2,132
Average FFB selling price (RM/MT)	566	589	569	602

### 20. Trade and other receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	36,009,358	44,808,883	71,916	102,852
Amount owing from subsidiary companies	-	-	3,404,643	3,429,356
Amount owing from related companies	14,145	14,145	14,145	14,145
	36,023,503	44,823,028	3,490,704	3,546,353
<b>Other receivables</b>				
Third parties	7,549,752	3,618,025	5,587,713	1,674,065
Refundable deposits	723,875	783,788	100,872	100,872
Amount owing from holding company	4,500	4,500	4,500	4,500
Amount owing from subsidiary companies	-	-	513,507	580,603
Amount owing from related companies	104,109	86,522	51,651	55,463
	8,382,236	4,492,835	6,258,243	2,415,503
Less: Allowance for impairment losses	(1,257,696)	(1,257,696)	-	-
	7,124,540	3,235,139	6,258,243	2,415,503
Total trade and other receivables (current)	43,148,043	48,058,167	9,748,947	5,961,856
<b>Non-current</b>				
<b>Other receivables</b>				
Amount owing from subsidiary companies	-	-	102,730,000	125,515,514
Less: Allowance for impairment losses	-	-	-	(4,586,519)
	-	-	102,730,000	120,928,995
Total trade and other receivables (current and non-current)	43,148,043	48,058,167	112,478,947	126,890,851

#### (a) Trade receivables

The Group's normal trade credit terms are less than 60 days (2023: 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 20. Trade and other receivables (cont'd)

#### (a) Trade receivables (cont'd)

##### Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Neither past due nor impaired	36,023,503	44,823,028	3,490,704	3,546,353

##### 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 holding and related companies (non-trade)

These amounts are unsecured, non-interest bearing and repayable on demand.

#### (c) Amount owing from subsidiary companies (current and non-current non-trade)

Included in the amount owing from subsidiary companies is an amount of RM102,700,000 (2023: RM123,330,000) which is unsecured, bears interest of 4.76% - 7.65% per annum (2023: 4.51% - 7.40% 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 previous financial year, the Company provided an impairment allowance of RM4,586,519 on the amounts owing by certain subsidiaries.

#### (d) Other receivables that are impaired

##### Receivables that are impaired

The Group's and 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		Company	
	Individually impaired 2024 RM	2023 RM	Individually impaired 2024 RM	2023 RM
Other receivables-nominal amounts	1,257,696	1,257,696	-	11,162,840
Less: Allowance for impairment	(1,257,696)	(1,257,696)	-	(4,586,519)
	-	-	-	6,576,321

Movement in allowance accounts:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	1,257,696	1,257,696	4,586,519	1,157,519
Written off as bad debts	-	-	(4,586,519)	(951,000)
Additions (Note 8)	-	-	-	4,380,000
At end of the financial year	1,257,696	1,257,696	-	4,586,519

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 21. Derivatives

	2024		2023	
	Contract/ Notional amount RM	Fair value liabilities RM	Contract/ Notional amount RM	Fair value liabilities RM
<b>Group</b>				
Derivatives carried at fair value through profit or loss				
- Commodity futures	16,918,625	2,625	3,865,225	47,725

### Crude palm oil - commodity futures and swap

The Group's principal activities include cultivation, processing and marketing of oil palm products. The Group purchases FFB as raw materials and also sells FFB produce on an ongoing basis. Due to the volatility of CPO prices, the Group and the Company entered into CPO - commodity futures and swap contracts to hedge against price volatility for specific periods. Certain commodity futures and swap contracts are designated as cash flow hedges and are entered into for periods consistent with fair value changes exposure. The Group adopts hedge accounting for those derivatives which qualify for hedge accounting. Fair value changes relating to derivatives which do not qualify for hedge accounting are recognised in profit or loss.

Changes in fair value of these instruments are recognised as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value (gains)/losses arising from:				
- Commodity futures	(1,760,775)	503,400	-	185,975
- Commodity swap	-	6,450,501	-	2,247,304
	(1,760,775)	6,953,901	-	2,433,279
Less: amount recognised as effective hedge	-	(4,320,009)	-	(1,863,143)
Amount recognised in profit or loss (Note 8)	(1,760,775)	2,633,892	-	570,136

## 22. Short term funds

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>At fair value through profit or loss</b>				
Short term funds	243,321,856	164,877,311	112,890,116	79,341,063

Short term funds are investments in income trust funds in Malaysia.

The fair value measurement of the Group's and the Company's short term funds are categorised within Level 1 of the fair value hierarchy.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 23. Cash and bank balances

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash on hand and cash at banks	92,822,753	113,059,886	7,036,908	5,870,707
Time deposits with licensed banks	82,651,738	121,931,750	33,000,000	41,000,000
Cash and bank balances	175,474,491	234,991,636	40,036,908	46,870,707
Less: Bank overdraft (Note 26)	(468,115)	(455,157)	-	-
Less: Deposits pledged	(651,738)	(631,750)	-	-
Cash and cash equivalents	174,354,638	233,904,729	40,036,908	46,870,707

Arrangements have been made with licensed banks whereby certain bank balances are swept into accounts that 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 RM85,531,562 (2023: RM105,171,048) and RM6,388,994 (2023: RM4,873,547) respectively. The average interest rates as at the end of the financial year for such sweep accounts of the Group and of the Company were 2.43% (2023: 2.23%) per annum and 2.49% (2023: 2.29%) per annum respectively.

Included in deposits with licensed banks of the Group is an amount of RM651,738 (2023: RM631,750) 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	
	2024 % per annum	2023 % per annum	2024 % per annum	2023 % per annum
Time deposits with licensed banks	3.19	2.80	3.15	2.80

### 24. Changes in liabilities arising from financing activities

Group	At 1 February 2023 RM	Drawdown RM	Repayments RM	Reclassifications RM	At 31 January 2024 RM
<b>Current</b>					
Revolving credit	2,500,000	3,000,000	-	-	5,500,000
Term loan 3	5,712,000	-	(5,712,000)	5,712,000	5,712,000
Term loan 4	4,284,000	-	(4,284,000)	4,284,000	4,284,000
<b>Non-current</b>					
Term loan 3	26,196,000	-	-	(5,712,000)	20,484,000
Term loan 4	19,290,000	-	-	(4,284,000)	15,006,000
Total liabilities from financing activities	57,982,000	3,000,000	(9,996,000)	-	50,986,000

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 24. Changes in liabilities arising from financing activities (cont'd)

	At 1 February 2022 RM	Drawdown RM	Repayments RM	Reclassifications RM	At 31 January 2023 RM
<b>Current</b>					
Revolving credit	500,000	7,000,000	(5,000,000)	-	2,500,000
Term loan 3	5,712,000	-	(5,712,000)	5,712,000	5,712,000
Term loan 4	4,284,000	-	(4,284,000)	4,284,000	4,284,000
<b>Non-current</b>					
Term loan 3	31,908,000	-	-	(5,712,000)	26,196,000
Term loan 4	23,574,000	-	-	(4,284,000)	19,290,000
Total liabilities from financing activities	65,978,000	7,000,000	(14,996,000)	-	57,982,000

### 25. Trade and other payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Current</b>				
<b>Trade payables</b>				
Third parties	55,833,616	62,214,202	1,347,914	744,529
Amount owing to related companies	684,864	385,045	-	-
	56,518,480	62,599,247	1,347,914	744,529
<b>Other payables</b>				
Sundry payables	8,347,904	8,099,884	301,181	590,486
Deposits and payments received in advance	1,477,633	2,230,861	-	-
Provisions	550,217	517,436	550,217	517,436
Accruals	24,858,665	25,528,541	4,923,922	4,440,798
	35,234,419	36,376,722	5,775,320	5,548,720
Total trade and other payables	91,752,899	98,975,969	7,123,234	6,293,249

#### (a) Trade payables

These amounts are non-interest bearing and normally settled on terms of up to 60 days (2023: 60 days).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 25. Trade and other payables (cont'd)

#### (b) Provisions

Group and Company	Unutilised annual leave RM
At 1 February 2022	610,417
Reduction (Note 9)	(92,981)
At 31 January 2023 and 1 February 2023	517,436
Additions (Note 9)	32,781
At 31 January 2024	550,217

#### Provision for unutilised annual leave

Being employees' benefits accrued in respect of their unutilised annual leave entitlements.

### 26. Loans and borrowings

	2024 RM	Group 2023 RM
<b>Current</b>		
Secured:		
Bank overdrafts (Note 23)	468,115	455,157
Revolving credit	5,500,000	2,500,000
Term loan 3	5,712,000	5,712,000
Term loan 4	4,284,000	4,284,000
	15,964,115	12,951,157
<b>Non-current</b>		
Secured:		
Term loan 3	20,484,000	26,196,000
Term loan 4	15,006,000	19,290,000
	35,490,000	45,486,000
	51,454,115	58,437,157

The remaining maturities of the loans and borrowings as at the reporting date are as follows:

	2024 RM	Group 2023 RM
On demand or within one year	15,964,115	12,951,157
More than 1 year and less than 2 years	9,996,000	9,996,000
More than 2 years and less than 5 years	25,494,000	29,988,000
More than 5 years	-	5,502,000
	51,454,115	58,437,157

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 26. Loans and borrowings (cont'd)

The facilities extended by financial institutions are secured by:

- (i) corporate guarantee from the Company (Note 34(a)); and
- (ii) personal guarantee of RM960,000 from a minority shareholder of a subsidiary.

Term loan 3 is repayable over 83 equal monthly instalments of RM476,000 commencing from September 2021 and a final instalment of RM492,000.

Term loan 4 is repayable over 83 equal monthly instalments of RM357,000 commencing from August 2021 and a final instalment of RM369,000.

As at the reporting date, the loans and borrowings of the Group bear interest at the following rates:

	2024 % per annum	Group 2023 % per annum
<b>Interest rates</b>		
Overdrafts	BLR + 1% to 1.25%	BLR + 1% to 1.25%
Term loan 3	COF + 1%	COF + 1%
Term loan 4	COF + 1%	COF + 1%
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 6.70% to 6.76% per annum (2023: 6.45% to 6.51% per annum), cost of fund ("COF") ranges from 3.65% to 3.77% per annum (2023: 3.25% to 3.40% per annum) and Kuala Lumpur Interbank Offered Rate ("KLIBOR") is 3.29% per annum (2023: 3.61% per annum).

### 27. Deferred tax

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	86,902,956	85,274,999	43,717,844	43,671,057
Recognised in:				
- profit or loss (Note 11)	1,933,932	7,477	(1,127,616)	(396,553)
- equity (Note 29)	-	1,620,480	-	443,340
At end of the financial year	88,836,888	86,902,956	42,590,228	43,717,844
Presented after appropriate offsetting as follows:				
Deferred tax assets	(2,489,800)	(6,211,840)	-	-
Deferred tax liabilities	91,326,688	93,114,796	42,590,228	43,717,844
	88,836,888	86,902,956	42,590,228	43,717,844



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 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 2023 RM	Recognised in profit or loss (Note 11) RM	equity (Note 29) RM	At 31 January 2024 RM
<b>Deferred tax liabilities</b>				
Subject to income tax rate:				
Bearer plants and property, plant and equipment	59,089,900	(287,300)	-	58,802,600
Accrued interest income	25,000	11,000	-	36,000
Biological assets	1,335,600	(241,680)	-	1,093,920
Revaluation of leasehold land	46,330,530	(807,912)	-	45,522,618
	106,781,030	(1,325,892)	-	105,455,138
Offsetting	(15,172,614)	(462,216)	-	(15,634,830)
	91,608,416	(1,788,108)	-	89,820,308
Subject to Real Property Gains Tax rate:				
Revaluation of freehold land	1,506,380	-	-	1,506,380
	93,114,796	(1,788,108)	-	91,326,688
<b>Deferred tax assets</b>				
Subject to income tax rate:				
Provisions	(124,000)	(8,000)	-	(132,000)
Derivatives liabilities	(11,454)	10,824	-	(630)
Unutilised reinvestment allowances	(1,470,000)	(894,000)	-	(2,364,000)
Unutilised investment tax allowances	(2,348,000)	84,000	-	(2,264,000)
Unutilised green investment tax allowances	(3,096,000)	85,000	-	(3,011,000)
Unabsorbed capital allowances	(2,009,000)	613,000	-	(1,396,000)
Unused tax losses	(10,500,000)	2,788,000	-	(7,712,000)
Unrealised profits	(1,826,000)	581,000	-	(1,245,000)
	(21,384,454)	3,259,824	-	(18,124,630)
Offsetting	15,172,614	462,216	-	15,634,830
	(6,211,840)	3,722,040	-	(2,489,800)
	86,902,956	1,933,932	-	88,836,888

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 27. Deferred tax (cont'd)

Group	At 1 February 2022 RM	Recognised in profit or loss (Note 11) RM	equity (Note 29) RM	At 31 January 2023 RM
<b>Deferred tax liabilities</b>				
Subject to income tax rate:				
Bearer plants and property, plant and equipment	55,954,200	3,135,700	-	59,089,900
Accrued interest income	34,000	(9,000)	-	25,000
Biological assets	1,402,320	(66,720)	-	1,335,600
Revaluation of leasehold land	47,138,442	(807,912)	-	46,330,530
	104,528,962	2,252,068	-	106,781,030
Offsetting	(14,716,943)	(2,031,991)	1,576,320	(15,172,614)
	89,812,019	220,077	1,576,320	91,608,416
Subject to Real Property Gains Tax rate:				
Revaluation of freehold land	1,506,380	-	-	1,506,380
	91,318,399	220,077	1,576,320	93,114,796
<b>Deferred tax assets</b>				
Subject to income tax rate:				
Provisions	(146,000)	22,000	-	(124,000)
Derivatives liabilities	(1,976,343)	344,409	1,620,480	(11,454)
Unutilised reinvestment allowances	(1,584,000)	114,000	-	(1,470,000)
Unutilised investment tax allowances	(3,519,000)	1,171,000	-	(2,348,000)
Unutilised green investment tax allowances	-	(3,096,000)	-	(3,096,000)
Unabsorbed capital allowances	(4,332,000)	2,323,000	-	(2,009,000)
Unused tax losses	(7,684,000)	(2,816,000)	-	(10,500,000)
Unrealised profits	(1,519,000)	(307,000)	-	(1,826,000)
	(20,760,343)	(2,244,591)	1,620,480	(21,384,454)
Offsetting	14,716,943	2,031,991	(1,576,320)	15,172,614
	(6,043,400)	(212,600)	44,160	(6,211,840)
	85,274,999	7,477	1,620,480	86,902,956

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 27. Deferred tax (cont'd)

Company	At 1 February 2023 RM	Recognised in profit or loss (Note 11) RM	equity (Note 29) RM	At 31 January 2024 RM
<b>Deferred tax liabilities</b>				
Subject to income tax rate:				
Bearer plants and property, plant and equipment	8,602,000	(440,000)	-	8,162,000
Accrued interest income	11,000	(2,000)	-	9,000
Biological assets	248,400	(72,720)	-	175,680
Revaluation of leasehold land	34,980,444	(604,896)	-	34,375,548
	43,841,844	(1,119,616)	-	42,722,228
Offsetting	(124,000)	(8,000)	-	(132,000)
	43,717,844	(1,127,616)	-	42,590,228
<b>Deferred tax assets</b>				
Subject to income tax rate:				
Provisions	(124,000)	(8,000)	-	(132,000)
	(124,000)	(8,000)	-	(132,000)
Offsetting	124,000	8,000	-	132,000
	-	-	-	-
	43,717,844	(1,127,616)	-	42,590,228

Company	At 1 February 2022 RM	Recognised in profit or loss (Note 11) RM	equity (Note 29) RM	At 31 January 2023 RM
<b>Deferred tax liabilities</b>				
Subject to income tax rate:				
Bearer plants and property, plant and equipment	8,814,000	(212,000)	-	8,602,000
Accrued interest income	5,000	6,000	-	11,000
Biological assets	211,920	36,480	-	248,400
Revaluation of leasehold land	35,585,340	(604,896)	-	34,980,444
	44,616,260	(774,416)	-	43,841,844
Offsetting	(945,203)	377,863	443,340	(124,000)
	43,671,057	(396,553)	443,340	43,717,844
<b>Deferred tax assets</b>				
Subject to income tax rate:				
Provisions	(146,000)	22,000	-	(124,000)
Derivatives liabilities	(799,203)	355,863	443,340	-
	(945,203)	377,863	443,340	(124,000)
Offsetting	945,203	(377,863)	(443,340)	124,000
	-	-	-	-
	43,671,057	(396,553)	443,340	43,717,844

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 27. Deferred tax (cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	2024 RM	Group 2023 RM
Unused tax losses		
- expires on 31 January 2028	5,059,000	5,059,000
- expires on 31 January 2029	897,000	897,000
- expires on 31 January 2030	721,000	721,000
- expires on 31 January 2031	1,145,000	1,146,000
- expires on 31 January 2032	995,000	995,000
- expires on 31 January 2033	699,000	685,000
- expires on 31 January 2034	711,500	-
Unutilised reinvestment allowances		
- expires on 31 January 2025	4,307,000	4,307,000
Unabsorbed capital allowances	9,857,000	6,983,000
Other temporary differences	-	9,289,000
	24,391,500	30,082,000
Deferred tax @ 24% (2023: 24%)	5,853,960	7,219,680

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.

Unused tax losses from year of assessment 2018 onwards are available for offsetting against future taxable profits of the respective subsidiaries in Malaysia for a maximum period of 10 consecutive years of assessment.

The unutilised reinvestment allowances can only be carried forward up to 7 consecutive years of assessment and will expire in year 2025.

### 28. Share capital

Group and Company	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
<b>Issued and fully paid</b>				
At beginning of the financial year	968,822,321	967,221,320	371,864,778	369,304,297
Issued during the financial year:				
- warrants exercised	5,644,131	1,601,001	7,901,783	2,241,401
- fair value of warrants exercised	-	-	1,124,875	319,080
	5,644,131	1,601,001	9,026,658	2,560,481
At end of the financial year	974,466,452	968,822,321	380,891,436	371,864,778

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 28. Share capital (cont'd)

#### (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 to subscribe for new ordinary shares of the Company at an exercise price of RM1.40 per share, 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.

The warrants were listed on Bursa Malaysia Securities Berhad on 16 April 2018 ("Warrants 2018/2025").

During the financial year, 5,644,131 (2023: 1,601,001) 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 RM1,124,875 (2023: RM319,080) 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 7,624,490 (2023: 13,268,621).

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.

During the financial year, the Company resold 558,000 treasury shares on Bursa Malaysia for net proceeds of RM1,144,862. The Company did not acquire any shares in the Company through purchases on Bursa Malaysia 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	Amount RM	Average cost per share RM
At 1 February 2022, 31 January 2023 and 1 February 2023	1,806,000	1,625,853	0.90
Resale	(558,000)	(502,340)	0.90
At 31 January 2024	1,248,000	1,123,513	0.90

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 29. Hedging reserve

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	-	(5,131,520)	-	(1,403,910)
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	-	-	-	-

The hedging reserve represents the effective portion of cash flow hedges as at the reporting date.

### 30. Retained earnings

The entire retained earnings of the Company as at 31 January 2024 and 2023 may be distributed as dividends under the single tier system.

### 31. 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 significant transactions between the Group and related parties took place at mutually agreed terms during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>With subsidiaries:</b>				
Management fee income	-	-	7,711,877	7,751,897
Commission income	-	-	1,668,127	2,161,894
Rental income	-	-	36,000	36,000
Interest income	-	-	5,753,321	5,715,004
Purchase of goods and services	-	-	3,324	1,560
Sale of goods and services	-	-	43,760,523	47,559,019
Purchase of plant and equipment	-	-	42,000	-
Sale of plant and equipment	-	-	135,000	-
Dividend income	-	-	130,730,000	121,550,000
<b>With fellow subsidiaries of the holding company:</b>				
Management fee income	169,740	239,700	169,740	239,700
Purchase of goods and services	15,677,077	21,275,965	2,000	-
Sale of goods and services	428,749	344,220	-	-

Related companies are fellow subsidiaries of the holding company, Sharikat Kim Loong Sendirian Berhad.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 31. Related party disclosures (cont'd)

#### (b) Key management compensation

The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short term employee benefits	12,738,066	12,795,245	8,744,913	8,579,303
Defined contribution plan	2,025,460	2,224,085	1,414,401	1,523,422
	14,763,526	15,019,330	10,159,314	10,102,725
Included in the total remuneration of key management personnel are remunerations of:				
- Executive Directors	9,428,643	9,581,863	6,054,831	6,060,675
- Non-executive Directors	295,500	349,000	295,500	349,000
	9,724,143	9,930,863	6,350,331	6,409,675

### 32. Commitments

#### (a) Capital expenditures

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Approved and contracted for:				
- right-of-use assets, bearer plants and property, plant and equipment	11,406,000	9,147,000	-	252,000
Approved but not contracted for:				
- right-of-use assets, bearer plants and property, plant and equipment	3,308,000	-	3,308,000	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 32. Commitments (cont'd)

#### (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	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Future minimum rental payments:</b>				
Not later than 1 year	285,031	297,631	209,431	209,431
Later than 1 year and not later than 5 years	306,316	540,947	104,716	314,147
Later than 5 years	373,200	423,600	-	-
	964,547	1,262,178	314,147	523,578

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 not considered material.

### 33. 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 2024 (CONT'D)

## 33. Segmental information (cont'd)

### (A) Business segment

	Plantation RM	Milling RM	Adjustments and eliminations RM	Total RM
<b>31 January 2024</b>				
<b>Revenue and expenses</b>				
<b>Revenue</b>				
External customers	32,716,204	1,493,416,691	-	1,526,132,895
Inter-segment	202,009,501	-	(202,009,501)	-
Total revenue	234,725,705	1,493,416,691	(202,009,501)	1,526,132,895
<b>Results</b>				
Segment results	117,130,659	110,917,317	2,136,000	230,183,976
Unallocated costs				(8,772,547)
Interest income				8,286,206
Finance costs				(2,489,648)
Other investment income				5,075,584
Profit before tax				232,283,571
Taxation				(54,424,780)
Profit net of tax				177,858,791
<b>Assets and liabilities</b>				
Segment assets	674,080,032	456,910,669	(37,422,567)	1,093,568,134
Unallocated assets				163,155,425
Total assets				1,256,723,559
Segment liabilities	111,458,181	152,696,500	(36,001,567)	228,153,114
Unallocated liabilities				48,146,379
Total liabilities				276,299,493
<b>Other information</b>				
Capital expenditure	14,421,275	27,242,237	-	41,663,512
Depreciation	21,354,321	22,594,970	-	43,949,291
Other non-cash expenses (Note a)	1,168,953	1,319,211	-	2,488,164

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 33. Segmental information (cont'd)

### (A) Business segment (cont'd)

	Plantation RM	Milling RM	Adjustments and eliminations RM	Total RM
<b>31 January 2023</b>				
<b>Revenue and expenses</b>				
<b>Revenue</b>				
External customers	41,763,621	1,866,579,392	-	1,908,343,013
Inter-segment	222,190,117	-	(222,190,117)	-
Total revenue	263,953,738	1,866,579,392	(222,190,117)	1,908,343,013
<b>Results</b>				
Segment results	145,190,161	110,580,882	(1,552,000)	254,219,043
Unallocated costs				(7,741,455)
Interest income				6,711,827
Finance costs				(2,402,269)
Other investment income				1,655,998
Profit before tax				252,443,144
Taxation				(52,758,757)
Profit net of tax				199,684,387
<b>Assets and liabilities</b>				
Segment assets	703,365,873	465,502,715	(37,692,675)	1,131,175,913
Unallocated assets				132,432,747
Total assets				1,263,608,660
Segment liabilities	114,651,907	165,271,175	(34,648,675)	245,274,407
Unallocated liabilities				64,634,262
Total liabilities				309,908,669
<b>Other information</b>				
Capital expenditure	16,856,599	27,512,432	-	44,369,031
Depreciation	20,957,312	20,195,091	-	41,152,403
Impairment of assets			-	
Other non-cash expenses (Note a)	382,944	664,981	-	1,047,925

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 33. Segmental information (cont'd)

### (A) Business segment (cont'd)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements is disclosed in Note b.

- a. Other non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2024		2023	
	Plantation RM	Milling RM	Plantation RM	Milling RM
Bad debts	17,816	-	19,425	217,917
Unrealised loss on derivatives	-	2,625	-	47,725
Loss on fair value changes in biological assets	1,007,000	-	278,000	-
Inventories written down	-	195,066	-	78,663
Provision for unutilised leave	32,781	-	-	-
Loss on disposal of property, plant and equipment	-	61,069	-	261,739
Impairment losses on property, plant and equipment	-	837,167	-	-
Write off of:				
- property, plant and equipment	47,155	223,284	85,519	58,937
- bearer plants	62,138	-	-	-
- inventories	2,063	-	-	-
	1,168,953	1,319,211	382,944	664,981

- b. Breakdown of the inter-segment adjustments and eliminations:

2024	Plantation RM	Milling RM	Total RM
<b>Segment results</b>	117,130,659	110,917,317	228,047,976
Inter-segments adjustments and eliminations:			
(a) Unrealised losses	2,136,000	-	2,136,000
	119,266,659	110,917,317	230,183,976
<b>Segment assets</b>	674,080,032	456,910,669	1,130,990,701
Inter-segments adjustments and eliminations:			
(a) Inventories	-	(1,870,000)	(1,870,000)
(b) Receivables	(35,986,201)	(15,366)	(36,001,567)
(c) Deferred tax assets	449,000	-	449,000
	(35,537,201)	(1,885,366)	(37,422,567)
	638,542,831	455,025,303	1,093,568,134

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 33. Segmental information (cont'd)

#### (A) Business segment (cont'd)

##### b. Breakdown of the inter-segment adjustments and eliminations: (cont'd)

2024	Plantation RM	Milling RM	Total RM
<b>Segment liabilities</b>	111,458,181	152,696,500	264,154,681
Inter-segments adjustments and eliminations:			
(a) Payables	(15,366)	(35,986,201)	(36,001,567)
	111,442,815	116,710,299	228,153,114
<b>2023</b>			
<b>Segment results</b>	145,190,161	110,580,882	255,771,043
Inter-segments adjustments and eliminations:			
(a) Unrealised profits	(1,552,000)	-	(1,552,000)
	143,638,161	110,580,882	254,219,043
<b>Segment assets</b>	703,365,873	465,502,715	1,168,868,588
Inter-segments adjustments and eliminations:			
(a) Inventories	-	(4,006,000)	(4,006,000)
(b) Receivables	(34,641,209)	(7,466)	(34,648,675)
(c) Deferred tax assets	962,000	-	962,000
	(33,679,209)	(4,013,466)	(37,692,675)
	669,686,664	461,489,249	1,131,175,913
<b>Segment liabilities</b>	114,651,907	165,271,175	279,923,082
Inter-segments adjustments and eliminations:			
(a) Payables	(7,466)	(34,641,209)	(34,648,675)
	114,644,441	130,629,966	245,274,407

#### (B) Geographical segments

The Group does not identify segments by geographical location as it operates only in Malaysia.

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 RM1.08 billion (2023: RM1.45 billion) are derived from 4 (2023: 4) major customers in Malaysia.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 34. Financial instruments 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.

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.

##### Exposure to credit risk

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 statements of financial position and a nominal amount of RM59,376,000 (2023: RM71,672,000) 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.

##### Credit risk concentration profile

The Group's and the Company's concentration of credit risk arises from two segments and the credit risk concentration profiles of the Group's and of the Company's trade receivables at the reporting date are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Plantation	-	-	2,719,441	2,798,886
Milling	26,282,922	35,977,551	-	-

At the reporting date, approximately 73% (2023: 80%) and 78% (2023: 79%) of the Group's and of the Company's trade receivables respectively are due from 4 (2023: 3) and 1 (2023: 1) major customers.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 34. Financial instruments risk management objectives and policies (cont'd)

#### (a) Credit risk (cont'd)

##### 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.

#### 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.

2024	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	91,752,899	-	-	91,752,899
Dividend payable	29,179,814	-	-	29,179,814
Loans and borrowings	17,915,933	38,554,710	-	56,470,643
Total undiscounted financial liabilities	138,848,646	38,554,710	-	177,403,356
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	7,123,234	-	-	7,123,234
Dividend payable	29,179,814	-	-	29,179,814
Total undiscounted financial liabilities	36,303,048	-	-	36,303,048

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 34. Financial instruments risk management objectives and policies (cont'd)

#### (b) Liquidity risk (cont'd)

2023	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	98,975,969	-	-	98,975,969
Dividend payable	48,350,816	-	-	48,350,816
Loans and borrowings	15,189,121	44,543,100	5,578,460	65,310,681
Total undiscounted financial liabilities	162,515,906	44,543,100	5,578,460	212,637,466
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	6,293,249	-	-	6,293,249
Dividend payable	48,350,816	-	-	48,350,816
Total undiscounted financial liabilities	54,644,065	-	-	54,644,065

#### (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 RM680,000 (2023: RM634,000) higher/lower, arising mainly as a result of higher/lower interest income from short-term funds and 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 of CPO prices, the Group entered into CPO - commodity futures and swap contracts to hedge against the price volatility for specific periods. 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 values of the commodity futures and swap contracts are determined by reference to the difference between the contracted rate and the price quoted at the reporting date for contracts with similar maturity profiles.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

## 35. Fair value of financial instruments

### (i) Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximations of fair value

Company	Carrying amount		Fair value	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets:</b>				
Other receivables (non-current) (Note 20)				
- Amount owing from subsidiary companies	102,730,000	120,928,995	*	*

\* The amount owing from subsidiary companies 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 approximations of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations 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 approximations 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 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 approximations of fair value.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

### (iv) Derivatives

Fair value of commodity futures 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 35. Fair value of financial instruments (cont'd)

#### (vi) 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 2024 RM	Level 1 RM	Level 2 RM	Level 3 RM
<b>Assets/(liabilities) measured at fair value through profit or loss</b>				
Biological assets	4,558,000	-	-	4,558,000
Short term funds	243,321,856	243,321,856	-	-
Derivatives	(2,625)	(2,625)	-	-

	31 January 2023 RM	Level 1 RM	Level 2 RM	Level 3 RM
<b>Assets/(liabilities) measured at fair value through profit or loss</b>				
Biological assets	5,565,000	-	-	5,565,000
Short term funds	164,877,311	164,877,311	-	-
Derivatives	(47,725)	(47,725)	-	-

#### Company

	31 January 2024 RM	Level 1 RM	Level 2 RM	Level 3 RM
<b>Assets measured at fair value through profit or loss</b>				
Biological assets	732,000	-	-	732,000
Short term funds	112,890,116	112,890,116	-	-

	31 January 2023 RM	Level 1 RM	Level 2 RM	Level 3 RM
<b>Assets measured at fair value through profit or loss</b>				
Biological assets	1,035,000	-	-	883,000
Short term funds	79,341,063	79,341,063	-	-

There were no transfers between the various categories in the hierarchy of fair value measurement during the reporting periods ended 31 January 2024 and 2023.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 36. Financial instruments

The financial instruments of the Group and of the Company are categorised into the following classes:

	Note	2024 RM	2023 RM
<b>Group</b>			
<b>(a) Debt instruments carried at amortised cost</b>			
Trade and other receivables	20	43,148,043	48,058,167
Cash and bank balances	23	175,474,491	234,991,636
		218,622,534	283,049,803
<b>(b) Financial assets measured at fair value through profit or loss</b>			
Short term funds	22	243,321,856	164,877,311
<b>(c) Financial liabilities carried at amortised cost</b>			
Trade and other payables	25	91,752,899	98,975,969
Loans and borrowings	26	51,454,115	58,437,157
		143,207,014	157,413,126
<b>(d) Financial liabilities measured at fair value through profit or loss</b>			
Derivatives	21	2,625	47,725
<b>Company</b>			
<b>(a) Debt instruments carried at amortised cost</b>			
Trade and other receivables	20	112,478,947	126,890,851
Cash and bank balances	23	40,036,908	46,870,707
		152,515,855	173,761,558
<b>(b) Financial assets measured at fair value through profit or loss</b>			
Short term funds	22	112,890,116	79,341,063
<b>(c) Financial liabilities carried at amortised cost</b>			
Trade and other payables	25	7,123,234	6,293,249

### 37. 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 2024 and 31 January 2023.

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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 37. Capital management (cont'd)

	Note	2024 RM	Group 2023 RM
Loans and borrowings	26	51,454,115	58,437,157
Trade and other payables	25	91,752,899	98,975,969
Less: Short term funds	22	(243,321,856)	(164,877,311)
Less: Cash and bank balances	23	(175,474,491)	(234,991,636)
<i>Net debt</i>		(275,589,333)	(242,455,821)
Equity attributable to the owners of the Company		864,916,945	834,386,612
Non-controlling interests		115,507,121	119,313,379
<i>Total equity</i>		980,424,066	953,699,991
<b>Capital and net debt</b>		<b>704,834,733</b>	<b>711,244,170</b>
<b>Net gearing ratio</b>		N/A	N/A

### 38. Dividends

	Group and Company	
	2024 RM	2023 RM
<b>Recognised during the year:</b>		
In respect of financial year 2022:		
- Final single-tier dividend of 5 sen per share	-	48,347,743
In respect of financial year 2023:		
- Interim single-tier dividend of 5 sen per share	-	48,347,743
- Special single-tier dividend of 5 sen per share	-	48,350,816
- Final single-tier dividend of 5 sen per share	48,468,544	-
	48,468,544	96,698,559
In respect of financial year 2024:		
- Interim single-tier dividend of 5 sen per share	48,509,003	-
- Special single-tier dividend of 3 sen per share	29,179,814	-
	77,688,817	-
	126,157,361	145,046,302

On 26 March 2024, the Company declared a second interim single-tier dividend in respect of the financial year ended 31 January 2024 of 5 sen per ordinary share. This dividend amounted to RM48,753,884 and was paid on 15 May 2024. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2025.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2024 (CONT'D)

### 39. Subsequent event

On 3 April 2024, the Company acquired the remaining 1 ordinary share, fully paid, in Winsome Yields Sdn. Bhd. ("WYSB"), a 90% owned subsidiary of the Company, for a total cash consideration of RM9,000,000 ("Acquisition").

As a result of the Acquisition, WYSB became a wholly owned subsidiary of the Company subsequent to the end of the financial year.

### 40. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2024 were authorised for issue in accordance with a resolution of the Directors on 16 May 2024.

# ANALYSIS OF SHAREHOLDINGS

AS AT 25 APRIL 2024

Issued and Fully Paid Up Capital : RM375,710,555.48 consisting of 976,325,687 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	63	1.06	1,760	0.00
100 to 1,000 shares	762	12.83	489,263	0.05
1,001 to 10,000 shares	2,934	49.43	14,886,265	1.53
10,001 to 100,000 shares	1,770	29.82	56,903,462	5.84
100,001 to less than 5% of shares	406	6.84	280,283,309	28.74
5% and above of shares	1	0.02	622,513,628	63.84
<b>Total</b>	<b>5,936</b>	<b>100.00</b>	<b>975,077,687 Ω</b>	<b>100.00</b>

Ω is equivalent to 976,325,687 less 1,248,000 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	63.84
2. Teo Chuan Keng Sdn. Bhd.	20,500,000	2.10
3. Krishnan Chellam	15,200,000	1.56
4. Koperasi Polis DiRaja Malaysia Berhad	7,500,000	0.77
5. Aliran Insaf (M) Sdn. Bhd.	7,400,000	0.76
6. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. – Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	6,137,532	0.63
7. Adam Helmi bin Timbas Helmi	6,000,000	0.61
8. Gan Teng Siew Realty Sdn. Berhad	4,725,000	0.48
9. Key Development Sdn. Berhad	4,725,000	0.48
10. Neoh Choo Ee & Company, Sdn. Berhad	4,269,323	0.44
11. Gooi Seow Mee	3,791,188	0.39
12. Cimsec Nominees (Tempatan) Sdn. Bhd. – CIMB for Prudent Strength Sdn. Bhd. (PB)	3,700,355	0.38
13. Public Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Gooi Seong Heen (E-JBU)	3,629,934	0.37
14. Loh Boon Hong	3,500,000	0.36
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	0.34
17. Gooi Seong Chneh	3,188,934	0.33
18. Amanahraya Trustees Berhad – Public Smallcap Fund	3,086,000	0.32
19. Ang Chai Eng	3,025,400	0.31
20. Butterfish Sdn. Bhd.	3,000,000	0.31

## ANALYSIS OF SHAREHOLDINGS

AS AT 25 APRIL 2024 (CON'D)

### THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors) (cont'd)

Name of Shareholders	No. of Shares held	% of Total Number of Issued Shares
21. Cimsec Nominees (Tempatan) Sdn. Bhd. – CIMB for Chellam Plantations (Sabah) Sdn. Bhd. (PB)	3,000,000	0.31
22. Lim Kuan Gin	3,000,000	0.31
23. Lim Weng Ho	2,902,800	0.30
24. Khoo Heng Suan	2,850,380	0.29
25. Loh Boon Tiong	2,602,000	0.27
26. Loh Boon Siong	2,600,000	0.27
27. Maybank Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Gan Tee Jin	2,513,700	0.26
28. Radeshah binti Ridzwani	2,507,400	0.25
29. Teo Tian Chai Sdn. Bhd.	2,385,000	0.25
30. Maybank Nominees (Tempatan) Sdn. Bhd. – Maybank Private Wealth Management for Chellam Investments Sdn. Berhad PW-M01319) (427121)	2,350,000	0.24
<b>TOTAL</b>	<b>759,385,730</b>	<b>77.88</b>

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	-	64.04	-
Gooi Seong Lim	6,102,532 <sup>(a)</sup>	632,435,972 <sup>(b)</sup>	0.63	64.86
Gooi Seong Heen	5,568,922 <sup>(c)</sup>	628,227,576 <sup>(d)</sup>	0.57	64.43
Gooi Seong Chneh	5,127,922	628,227,576 <sup>(e)</sup>	0.53	64.43
Gooi Seong Gum	417,690	628,403,976 <sup>(f)</sup>	0.04	64.45
Wilgain Prosperity Sdn. Bhd.	-	624,452,616 <sup>(g)</sup>	-	64.04
Eternal Profits Worldwide Sdn. Bhd.	-	624,452,616 <sup>(g)</sup>	-	64.04
Ascendant Capital Sdn. Bhd.	-	624,452,616 <sup>(g)</sup>	-	64.04
SG Gooi Holdings Sdn. Bhd.	-	624,452,616 <sup>(g)</sup>	-	64.04

### DIRECTORS' SHAREHOLDINGS (As per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Gooi Seong Lim	6,102,532 <sup>(a)</sup>	0.63	632,435,972 <sup>(b)</sup>	64.86
Gooi Seong Heen	5,568,922 <sup>(c)</sup>	0.57	628,227,576 <sup>(d)</sup>	64.43
Gooi Seong Chneh	5,127,922	0.53	628,227,576 <sup>(e)</sup>	64.43
Gooi Seong Gum	417,690	0.04	628,403,976 <sup>(f)</sup>	64.45
Yong Chung Sin	-	-	-	-
Soh Ban Ting	-	-	-	-
Dr. Chee Yau Kuan @ Chia Yan Kuan	774,195	0.08	2,061,545 <sup>(h)</sup>	0.21
Gooi Tsih Ern	-	-	3,149,996 <sup>(i)</sup>	0.32
Gooi Chuen Kang	-	-	-	-

# ANALYSIS OF SHAREHOLDINGS

AS AT 25 APRIL 2024 (CON'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 Wilgain Prosperity Sdn. Bhd. which in turn has an interest in Sharikat Kim Loong Sendirian Berhad ("SKL") which holds 624,452,616 shares, Heng 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 Eternal Profits Worldwide Sdn. Bhd. which in turn has an interest in SKL which holds 624,452,616 shares, HY which holds 3,422,160 shares and his spouse, Looi Kok Yean, who holds 352,800 shares.
- (e) Deemed interest by virtue of his interest in Ascendant Capital Sdn. Bhd. which in turn has an 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 SG Gooi Holdings Sdn. Bhd. which in turn has an interest in SKL which holds 624,452,616 shares, HY which holds 3,422,160 shares and his spouse, Teo Ai Mei, who holds 529,200 shares.
- (g) Deemed interest by virtue of their interest in SKL which holds 624,452,616 shares.
- (h) Deemed interest by virtue of his spouse, Kuan Yoke Keng @ Kwan Yoke Keng who holds 2,044,545 shares and his son, Chia Chieu Yin @ Chee Chieu Yin who holds 17,000 shares.
- (i) Deemed interest by virtue of her interest in 3,149,996 shares held in bare trust by Citigroup Nominee (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Tsih Ern is a major shareholder.

## ANALYSIS OF WARRANT HOLDINGS

AS AT 25 APRIL 2024

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	: 40,914,980
No. of Warrants unexercised	: 5,765,255

### 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	430	17.73	15,439	0.27
100 to 1,000 warrants	1,353	55.80	497,602	8.63
1,001 to 10,000 warrants	558	23.01	1,554,651	26.97
10,001 to 100,000 warrants	77	3.18	1,911,293	33.15
100,001 to less than 5% of warrants	3	0.12	481,770	8.36
5% and above of warrants	4	0.16	1,304,500	22.62
<b>Total</b>	<b>2,425</b>	<b>100.00</b>	<b>5,765,255</b>	<b>100.00</b>

### THIRTY LARGEST WARRANT HOLDERS (As per Record of Depositors)

Name of Warrant Holders	No. of Warrants Held	% of Total Warrants
1. Koperasi Polis DiRaja Malaysia Berhad	375,000	6.50
2. Soo Ai Lin	331,500	5.75
3. Adam Helmi bin Timbas Helmi	300,000	5.20
4. Kenanga Nominees (Tempatan) Sdn. Bhd. – The Visitor in the Federation of Malaya of the Christian Brothers' Schools	298,000	5.17
5. Maybank Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Raymond Chew Hoong Keat	199,800	3.47
6. Low Siew Nyok	156,600	2.72
7. Radeshah binti Ridzwani	125,370	2.17
8. Maybank Securities Nominees (Tempatan) Sdn. Bhd. – Maybank Securities Pte Ltd for Loh Ban Chye	100,000	1.73
9. Maybank Nominees (Tempatan) Sdn. Bhd. – Wong Yak Choon	80,000	1.39
10. Yayasan Guru Tun Hussein Onn	64,350	1.12
11. Lee Sock Ten	58,500	1.01
12. Neoh Brothers Sdn. Berhad	57,949	1.01
13. Yayasan Guru Tun Hussein Onn	55,755	0.97
14. Lee Teng Kee	52,900	0.92
15. Prudent Strength Sdn. Bhd.	45,000	0.78
16. Chang Chow Swan	43,700	0.76
17. Dynaquest Sdn. Bhd.	42,330	0.73
18. Annapoorni Chandrasekharan	42,000	0.73
19. Abu Erwann bin Abu Seman	41,100	0.71
20. Maybank Nominees (Tempatan) Sdn. Bhd. – Low Jeat Ghee	41,000	0.71



# ANALYSIS OF WARRANT HOLDINGS

AS AT 25 APRIL 2024 (CONT'D)

## THIRTY LARGEST WARRANT HOLDERS (As per Record of Depositors) (cont'd)

Name of Warrant Holders	No. of Warrants Held	% of Total Warrants
21. Chang Chow Swan	38,712	0.67
22. Vincent Chong Chun Tet	38,400	0.67
23. Cheah Yaw Song	38,085	0.66
24. Lam Ee Lin	37,000	0.64
25. Lee Chee Beng	34,104	0.59
26. Toh Heng Yet	33,300	0.58
27. Chang Chow Swan	30,450	0.53
28. Ch'ng Teck Siang	30,000	0.52
29. Teh Kai Qi	30,000	0.52
30. Cimsec Nominees (Tempatan) Sdn. Bhd. – CIMB for Teo ah Seng (PB)	29,955	0.52
<b>TOTAL</b>	<b>2,850,860</b>	<b>49.45</b>

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		Indirect Interest	
	Warrant Holdings	%	Warrant Holdings	%
Gooi Seong Lim	-	-	-	-
Gooi Seong Heen	-	-	-	-
Gooi Seong Chneh	-	-	-	-
Gooi Seong Gum	-	-	-	-
Yong Chung Sin	-	-	-	-
Soh Ban Ting	-	-	-	-
Dr. Chee Yau Kuan @ Chia Yan Kuan	-	-	-	-
Gooi Tsih Ern	-	-	-	-
Gooi Chuen Kang	-	-	-	-

## 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 2024 RM'000
<b>Kim Loong Resources Berhad</b>						
- CL 085311253	31/12/2077	Oil palm plantation	80.86	01 Feb 2017	Not applicable	6,145
- CL 085313079	31/12/2078	Oil palm plantation	384.25	01 Feb 2017	Not applicable	29,054
- CL 085311306	31/12/2077	Oil palm plantation	121.45	01 Feb 2017	Not applicable	7,970
- CL 085311315	31/12/2077	Oil palm plantation	102.51	01 Feb 2017	Not applicable	6,663
- CL 085311244	31/12/2077	Oil palm plantation	166.53	01 Feb 2017	Not applicable	11,939
District of Labuk/ Sugut, Sabah						
- CL 095317552	31/12/2085	Oil palm plantation	6.07	01 Feb 2017	Not applicable	457
- CL 095317561	31/12/2085	Oil palm plantation	5.93	01 Feb 2017	Not applicable	446
- CL 095315058	31/12/2085	Oil palm plantation	303.39	01 Feb 2017	Not applicable	22,835
- CL 095317436	31/12/2087	Oil palm plantation	14.25	01 Feb 2017	Not applicable	970
- CL 095310777	31/12/2078	Oil palm plantation	395.78	01 Feb 2017	Not applicable	32,162
- CL 095315049	31/12/2085	Oil palm plantation	343.90	01 Feb 2017	Not applicable	25,114
- CL 095316957	31/12/2086	Oil palm plantation	80.82	01 Feb 2017	Not applicable	5,889
- CL 095310428	31/12/2077	Oil palm plantation	81.06	01 Feb 2017	Not applicable	6,160
- CL 095310982	31/12/2078	Oil palm plantation	400.56	01 Feb 2017	Not applicable	29,106
- CL 095310526	31/12/2077	Oil palm plantation	243.74	01 Feb 2017	Not applicable	17,155
District of Kinabatangan, Sabah						
- Lot 7052, Section 64 Jalan Sekama Kuching, Sarawak	31/12/2779	Shoplot office	-	(01 Feb 2010)	40 years	1,101
<b>Suhenson Estate Sdn. Bhd.</b>						
- CL 095310704	31/12/2078	Oil palm plantation	201.53	(09 Feb 2021)	Not applicable	14,705
- CL 095310884	31/12/2079	Oil palm plantation	149.05	(09 Feb 2021)	Not applicable	10,125
- CL 095315245	31/12/2085	Oil palm plantation	356.94	(09 Feb 2021)	Not applicable	29,575
- PL 096290416	31/12/2078	Oil palm plantation	388.23	(09 Feb 2021)	Not applicable	28,869
District of Kinabatangan, Sabah						
<b>Kim Loong - KPD Plantations Sdn. Bhd.</b>						
- CL 255332631	31/12/2086	Oil palm plantation	1,610.00	31 Jan 2004	Not applicable	29,936
- CL 255340160	30/06/2062	Oil palm plantation	385.60 <sup>(1)</sup>	31 Jan 2004	Not applicable	6,147
District of Tongod, Sabah						
<b>Okidville Holdings Sdn. Bhd.</b>						
- CL 135328782	31/12/2083	Oil palm plantation	2,755.50	31 Jan 2004	Not applicable	43,824
Sook, District of Keningau, Sabah						
<b>Desa Okidville Sdn. Bhd.</b>						
- CL 135367930	31/12/2080	Oil palm plantation	4,355.55	31 Jan 2004	Not applicable	57,426
Sook, District of Keningau, 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 2024 RM'000
<b>Desa Kim Loong Palm Oil Sdn. Bhd.</b>						
- CL 135367912	31/12/2080	Palm oil mill	12.14	01 Feb 2011	21 years	8,767
- CL 135367921	31/12/2080	Oil palm plantation	27.51	01 Feb 2011	Not applicable	2,914
- Part of CL 135331029	31/12/2047	Road, drain and fencing	0.07 <sup>(1)</sup>	(01 Jul 2019)	2 years	238
- Part of CL 135367903 Sook, District of Keningau, Sabah	29/02/2064	Housing area, water reservoir and POME area	77.13 <sup>(1)</sup>	(01 Mar 2004)	Not applicable	2,563
<b>Kim Loong Palm Oil Mills Sdn. Bhd.</b>						
- GRN 60265, Lot 2420	Freehold	Palm oil mill	24.18	01 Feb 2011	27 years	18,576
- 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
<b>Winsome Al-Yatama Sdn. Bhd.</b>						
- H.S.(D) 34747, PTD 828 Mukim Hulu Sg Sedeli Besar, Kota Tinggi, Johor	08/11/2064	Oil palm plantation	1,085.63 <sup>(1)</sup>	(09 Nov 2004)	Not applicable	13,844
<b>Kim Loong Technologies Sdn. Bhd.</b>						
- GRN 60265, Lot 2420 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory <sup>(2)</sup>	-	Not applicable	18 years	726
<b>Kim Loong Sabah Mills Sdn. Bhd.</b>						
- CL 255340179 District of Tongod, Sabah	31/12/2086	Palm oil mill	13.80	01 Feb 2011	16 years	11,455
<b>Kim Loong Technologies (Sabah) Sdn. Bhd.</b>						
- CL 135367912 Sook, District of Keningau, Sabah	31/12/2080	Factory <sup>(2)</sup>	-	Not applicable	14 years	490
<b>Kim Loong Power Sdn. Bhd.</b>						
- GRN 60265, Lot 2420 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory/store <sup>(2)</sup>	-	Not applicable	15 years	829

## 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 2024 RM'000
- CL 135367912 Sook, District of Keningau, Sabah	31/12/2080	Road, drain and fencing <sup>(2)</sup>	-	Not applicable	14 years	65
- CL 255340179	31/12/2086	Factory <sup>(2)</sup>	-	Not applicable	11 years	764
- CL 255340160 District of Tongod, Sabah	30/06/2062	Road, drain and fencing <sup>(2)</sup>	-	Not applicable	1 year	236
<b>Winsome Pelita (Pantu) Sdn. Bhd.</b>						
- Sungai Tenggang and Kranggas/Mawang Sri Aman, Sarawak	NCR Native Land 60 years	Oil palm plantation	2,773.70	(06 Jan 2010)	Not applicable	41,572
<b>Winsome Jaya Sdn. Bhd.</b>						
- H.S.(D) 34748, PTD 413 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	26/08/2111	Oil palm plantation	47.60 <sup>(1)</sup>	(27 Aug 2013)	Not applicable	571
<b>17,003.48</b>						<b>536,109</b>

(1) These lands were subleased from third parties.

(2) These buildings 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-ninth Annual General Meeting of the Company to be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Wednesday, 3 July 2024 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below:-

No.	Ordinary Resolution	For	Against
1.	Payment of Directors' fees		
2.	Payment of Directors' benefits		
3.	Re-election of Director : Mr. Gooi Seong Chneh		
4.	Re-election of Director : Mr. Gooi Seong Lim		
5.	Re-appointment of Auditors		
6.	Authority to allot and issue shares		
7.	Proposed Renewal of Authority for Share Buy-Back		
8.	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 \_\_\_\_\_ 2024

Number of shares held

Signature(s)/Common Seal of Member(s)

For appointment of two proxies, percentage of shareholdings to be represented by proxies:		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

## NOTES:

A member whose name appear in the Record of Depositors as at 26 June 2024 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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The Secretary

**KIM LOONG RESOURCES BERHAD**

Unit No. 203, 2<sup>nd</sup> Floor, Block C,  
Damansara Intan,  
No. 1, Jalan SS 20/27,  
47400 Petaling Jaya,  
Selangor Darul Ehsan.

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