

**Cultivating
Value
Growing
with
Purpose**



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



ANNUAL REPORT 2026



CULTIVATING VALUE GROWING WITH PURPOSE

This visual shows formation of the Kim Loong Logo forming into a pyramid pattern.

A pyramid signifies structured, sustainable growth. A pyramid grows upward with a wide base signifying stability and strong foundation - lasting success.



51st

ANNUAL GENERAL MEETING



DATE

Thursday,
16 July 2026



TIME

11.00 a.m.



VENUE

Junior Ballroom
Level 11, DoubleTree by Hilton
No. 12, Jalan Ngee Heng
80888 Ibrahim International Business District
Johor Darul Takzim.

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Form of Proxy



Corporate Milestones

1967

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

1977

Incorporation of Kim Loong Palm Oil Sdn. Bhd. ("KLPO") (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.



1999

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

1997

Incorporation of Desa Kim Loong Plantations Sdn. Bhd. (currently known as Kim Loong - KPD Plantations Sdn. Bhd.) to enter into a Joint Venture ("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.

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.

2006

The Group undertook a biogas plant at 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").

2005

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

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.

2007

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

2008

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

Corporate Milestones

(CONT'D)

2010

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

Commissioned the second palm pressed fibre oil extraction plant.

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

2013/2014

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

2016/2017

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

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.

2018

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

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

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



2019/2021

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).

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.

2025

Kota Tinggi Mill won the Prime Minister's Hibiscus award 2024/2025 for Notable Achievement in Environment Performance.



2024

KLRB won The Edge Billion Ringgit Club ("BRC") 2024 award for the highest growth in profit after tax over three years for the plantation sector.



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 Fifty-first 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, 80888 Ibrahim International Business District, Johor Darul Takzim on Thursday, 16 July 2026 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 2026 together with the Auditors' Report thereon.
2. To approve the following payment to Directors:-
 - (a) Fees totalling RM386,250 for the financial year ended 31 January 2026. **(Ordinary Resolution 1)**
 - (b) Benefits of up to RM60,000 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. Yong Chung Sin **(Ordinary Resolution 3)**
 - (b) Ms. Soh Ban Ting **(Ordinary Resolution 4)**
 - (c) Dr. Chee Yau Kuan @ Chia Yan Kuan **(Ordinary Resolution 5)**
4. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

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

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 7)

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 98,458,615 representing 10% of the total number of issued shares of the Company as at 24 April 2026;
- (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 2026 of RM87,113,787;
- (c) the authority conferred by this Ordinary Resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next annual general meeting or the expiry of the period within which the next annual general meeting is required by law to be held, whichever occurs first (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the requirements issued by Bursa Securities or any other relevant authorities;
- (d) upon completion of the purchase by the Company of its own shares, the shares shall be dealt with in the following manner:-
 - (i) to cancel the shares so purchased; or
 - (ii) to retain the shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resell through Bursa Securities and/or subsequently cancel the treasury shares and/or transfer the treasury shares for the purposes of or under an employees’ share scheme or as purchase consideration; or
 - (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder;

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

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

(Ordinary Resolution 8)

Notice of Annual General Meeting

(CONT'D)

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 29 May 2026 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 9)

Notice of Annual General Meeting

(CONT'D)

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
29 May 2026

Notice of Annual General Meeting

(CONT'D)

NOTES:

(1) A member whose name appears in the Record of Depositors as at 9 July 2026 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 2026 -

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 7 -

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 17 July 2025 and which will lapse at the conclusion of the Fifty-first Annual General Meeting.

Notice of Annual General Meeting

(CONT'D)

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 8 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 29 May 2026 which is enclosed together with the Annual Report 2026.

(7) Ordinary Resolution 9 -

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 29 May 2026 which is enclosed together with the Annual Report 2026.

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 Fifty-first Annual General Meeting:-

(a) Mr. Yong Chung Sin

(b) Ms. Soh Ban Ting

(c) Dr. Chee Yau Kuan @ Chia Yan Kuan

The profiles of the Directors standing for re-election as mentioned in paragraph above at the Fifty-first Annual General Meeting are set out in the Annual Report 2026 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 Fifty-first Annual General Meeting.

Corporate Information

BOARD OF DIRECTORS

GOOI SEONG LIM
Executive Chairman

GOOI TSIH ERN
Alternate Director to
Mr. Gooi Seong Lim

GOOI SEONG HEEN
Managing Director

GOOI CHUEN KANG
Alternate Director to
Mr. Gooi Seong Heen

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

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

AUDIT COMMITTEE

SOH BAN TING (Chairperson)
YONG CHUNG SIN
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 No. 203, 2nd Floor, Block C,
Damansara Intan, No. 1, Jalan
SS 20/27, 47400 Petaling Jaya,
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Tel :
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Fax :
03 7118 2693

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ypchong@tacsco.com.my

REGISTRAR

TACS CORPORATE
SERVICES SDN. BHD.

Unit No. 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

AUDITORS

ERNST & YOUNG PLT

B-15, Menara IIB, Persiaran Medini
Sentral 1, Bandar Medini Iskandar,
79250 Iskandar Puteri, Johor.

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA
MALAYSIA SECURITIES BERHAD

Stock Short Name :
KMLOONG

Stock Code :
5027

Information In Relation To Executives' Share Option Scheme

The Executives' Share Option Scheme ("ESOS") of the Company was approved by the members of the Company at the Extraordinary General Meeting held on 6 September 2024 and was implemented on 27 December 2024 where ESOS options were granted to the eligible Directors and executives of the Group, subject to the ESOS Bye-Laws governing the ESOS.

The ESOS has a duration of five (5) years, which will expire on 26 December 2029.

Information in relation to ESOS are illustrated in the tables below:

i) Total number of options granted, exercised and outstanding/unexercised

	Since commencement of ESOS to 31 January 2026
Total number of options granted	33,448,500
Total number of options exercised	(2,584,000)
Total number of options cancelled	(770,000)
Total number of options outstanding/unexercised	30,094,500

ii) Total number of options granted and exercised during the financial year

Category of Participants	Number of Participants	Number of options granted during FY2026		Number of Participants	Number of options exercised during FY2026	
		Percentage	Percentage		Percentage	Percentage
Directors	1	540,000	20.03%	4	1,950,000	75.46%
Senior Management	4	430,500	15.97%	2	309,000	11.96%
Middle Management	32	1,725,500	64.00%	9	325,000	12.58%
	37	2,696,000	100.00%	15	2,584,000	100.00%

iii) Total number of options outstanding/unexercised at the beginning and at the end of the financial year

Category of Participants	Number of options outstanding/unexercised	
	1 Feb 2025	31 Jan 2026
Directors	8,844,000	7,434,000
Senior Management	8,133,000	8,254,500
Middle Management	13,775,500	14,406,000
	30,752,500	30,094,500

iv) Options granted to Directors and Senior Management

	Since commencement of ESOS	During FY2026
Actual percentage granted	53.66%	36.00%

The maximum number of new shares to be allocated and issued pursuant to the exercise of the options that may be granted under the ESOS shall not, in aggregate, exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) ("Maximum Scheme Shares") at any point in the time during the duration of the ESOS as provided in the Bye-Laws.

Not more than 70% of the Maximum Scheme Shares shall be allotted, in aggregate, to the eligible Executive Directors and executives of the Group.

The ESOS was not extended to the Non-Executive Directors of the Group.

Further details of the ESOS are set out in Note 28(d) on pages 213 to 215 of the Annual Report.

Board of Directors



Board of Directors

(CONT'D)



Profile of Directors



GOOI SEONG LIM

Executive Chairman

Date of Appointment:
28 February 1990

Malaysian • Age 77 • Male

GOOI SEONG LIM was appointed to the Board of Kim Loong Resources Berhad (“KLR”) as an Executive Director on 28 February 1990. He was a Managing Director up to 30 March 2006 before redesignation as the Executive Chairman of KLR. He was also a member of the Remuneration Committee with effect from 27 March 2002 until 30 January 2018. He graduated from the University of Toronto, Canada, with a Bachelor of Applied Science degree in Mechanical Engineering in 1975. From 1975 until 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 or its subsidiaries except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR Group) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL.



GOOI SEONG HEEN

Managing Director

Date of Appointment:
28 February 1990

Malaysian • Age 75 • Male

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

Mr. Gooi has no personal interest in any business arrangement involving KLR or its subsidiaries except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR Group) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL.

Profile of Directors

(CONT'D)



GOOI SEONG CHNEH

Executive Director

Date of Appointment:
28 February 1990

Malaysian • Age 71 • Male

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

Mr. Gooi has no personal interest in any business arrangement involving KLR or its subsidiaries except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR Group) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL.



GOOI SEONG GUM

Executive Director

Date of Appointment:
28 February 1990

Malaysian • Age 70 • Male

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

Mr. Gooi has no personal interest in any business arrangement involving KLR or its subsidiaries except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR Group) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL.

Profile of Directors

(CONT'D)



YONG CHUNG SIN

**Senior Independent
Non-Executive Director**

Date of Appointment: **15 September 2022** Malaysian • Age 54 • Male

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 Nominating and Remuneration Committee. Mr. Yong had been the Chairman of the Audit Committee since 15 September 2022 until he was redesignated as a member of the Audit Committee on 4 February 2025. 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.



SOH BAN TING

**Independent
Non-Executive Director**

Date of Appointment: **15 September 2022** Malaysian • Age 55 • Female

SOH BAN TING was appointed to the Board of KLR as an Independent Non-Executive Director on 15 September 2022. She has been a member of the Audit, Nominating and Remuneration Committees of KLR since 15 September 2022. She has been redesignated as the Chairperson of the Audit Committee since 4 February 2025.

Ms. Soh holds a degree in Economics with a major in Accounting from the La Trobe University, Melbourne, Australia. She is a member of the Malaysian Institute of Accountants and a Certified Practising Accountant of CPA Australia.

Beginning her career in 1992 at Ernst & Young, Ms. Soh specialized in corporate insolvency and restructuring. In 2013 she transitioned to corporate advisory, enhancing her expertise in strategic business planning, fundraising, financial modeling and valuation, and corporate reorganization through her roles at RSM Malaysia and 27 Capital Sdn Bhd. Additionally, she serves as a director of CCB. Since 14 December 2023, Ms. Soh has been a member of the Institute of Corporate Directors Malaysia (ICDM).

Profile of Directors

(CONT'D)



DR. CHEE YAU KUAN @ CHIA YAN KUAN

**Independent
Non-Executive Director**

Date of Appointment: Malaysian • Age 84 • Male
30 November 2022

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 Diploma of Agriculture, College of Agriculture Malaya, a Bachelor of Agriculture and a Master of Agriculture 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.

GOOI TSIH ERN

**Alternative Director to
Mr. Gooi Seong Lim**

Date of Appointment: Malaysian • Age 39 • Female
20 June 2023

GOOI TSIH ERN was appointed to the Board of KLR as Alternate Director to Mr. Gooi Seong Lim on 20 June 2023 and is currently the Corporate Strategy & Governance Director of KLR. 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 or its subsidiaries, except that she is deemed interested in the transactions entered into with SKL Group (excluding KLR Group) which are carried out in the ordinary course of business, by virtue of being a person connected to Mr. Gooi Seong Lim.



Profile of Directors

(CONT'D)



GOOI CHUEN KANG

**Alternative Director to
Mr. Gooi Seong Heen**

Date of Appointment:
31 March 2016

Malaysian • Age 40 • Male

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 and an Executive Master of Business Administration from London Business School and Columbia Business School in 2025. 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 or its subsidiaries, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR Group) which are carried out in the ordinary course of business, by virtue of being a person connected to Mr. Gooi Seong Heen.

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.

NOTES:

- The details of Board Committees held by the Directors and the number of board meetings attended by them are disclosed in the Corporate Governance Overview Statement.
- Save as disclosed, none of the Directors have:-
 - Any other directorship in public companies and listed issuers;
 - Any family relationship with any Director and/or major shareholder of the Company;
 - Any conflict of interest with the Company or its subsidiaries;
 - Any convictions for offences within the past five (5) years other than traffic offences, if any; and
 - Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year under review.

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 14 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 15 of this Annual Report)

2. MR. GOOI SEONG GUM
Executive Director
(Profile on Page 15 of this Annual Report)

3. MISS GOOI TSIH ERN
Corporate Strategy & Governance Director
(Profile on Page 17 of this Annual Report)

4. MR. GOOI CHUEN KANG
Plantation Director
(Profile on Page 18 of this Annual Report)

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



CHOW KOK HIANG

Finance Director

Malaysian • Age 59 • Male

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.



GOOI CHUEN HOWE

Marketing & Mill Director

Malaysian • Age 42 • Male

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 or its subsidiaries, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR Group) which are carried out in the ordinary course of business, by virtue of being a person connected to Mr. Gooi Seong Heen.

Profile of Key Senior Management

(CONT'D)



GOOI KHAI CHIEN

Investment and Development Director

Malaysian • Age 34 • Male

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 or its subsidiaries, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR Group) which are carried out in the ordinary course of business, by virtue of being a person connected to Mr. Gooi Seong Lim.



CHANG CHOW SWAN

General Manager

Malaysian • Age 72 • Male

CHANG CHOW SWAN is currently a director and the General Manager of Kim Loong Palm Oil Mills Sdn. Bhd. ("KLPOM"), a subsidiary of KLR. He graduated with a Bachelor degree in Chemical Engineering from National Taiwan University in 1978. A First Grade Steam Engineer with more than 48 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 KLPOM 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 KLPOM's holding company, Kim Loong Palm Oil Sdn. Bhd., which in turn is a wholly owned subsidiary of KLR.

Mr. Chang has no conflict of interest with the Company or its subsidiaries, other than those disclosed in the Report of the Audit Committee on page 139.

Profile of Key Senior Management

(CONT'D)



CHANG CHEE CHIONG

General Manager

Malaysian • Age 64 • Male

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.



GAN LIONG HOE

Deputy General Manager

Malaysian • Age 52 • Male

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.

Profile of Key Senior Management

(CONT'D)



S. SUBHASH CHANDRAN A/L K. SEKARAN NAIR

General Manager

Malaysian • Age 60 • Male

S. SUBHASH CHANDRAN A/L K. SEKARAN NAIR is currently the General Manager of KLR in charge of the Group's Assurance and Governance Department. He is an Associate Member of the Institute of Internal Auditors (IIA) Inc. He holds a Master of Business Administration from Charles Sturt University, Australia.

Mr. Subhash has over 37 years of experience in the auditing field. He began his career as an Audit Assistant at Hanafiah, Raslan & Mohamad/Arthur Andersen. Later he joined Eastern Plantation Agencies Sdn Bhd, Dynamic Management Sdn Bhd, Omega Securities Sdn Bhd and JB Securities Sdn Bhd in various capacities within the Internal Audit and compliance functions. In July 2001, he joined SKL as Assistant Internal Audit Manager.

FAMILY RELATIONSHIPS

Gooi Seong Lim is father of Gooi Khai Chien.

Gooi Seong Heen is father of Gooi Chuen Howe.

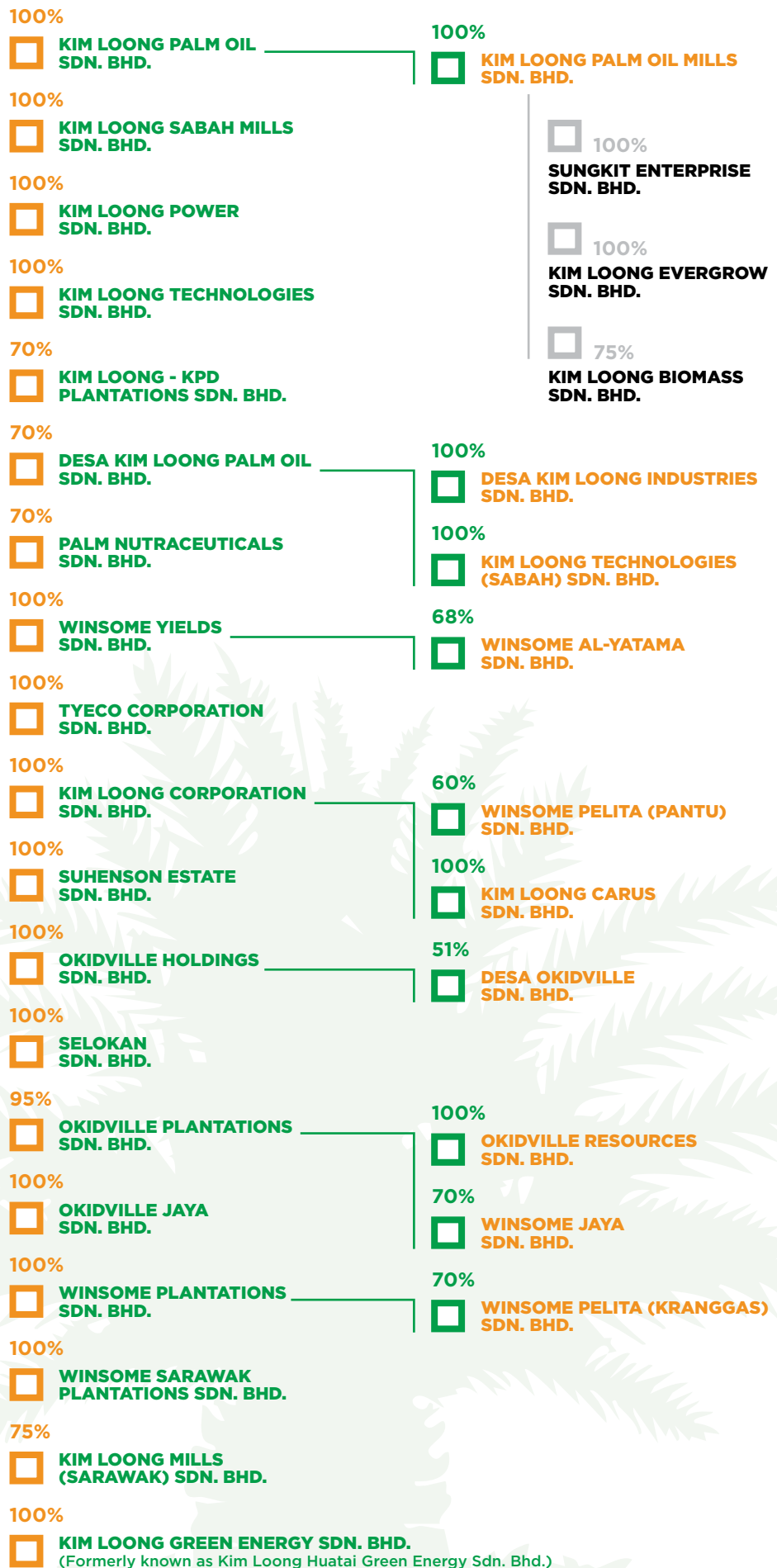
Other information in respect to the Key Senior Management ("KSM"):

1. Save as disclosed, none of the other KSM have any family relationships with any Director and/or major shareholder of the Company.
2. Save as disclosed, none of the other KSM has any conflicts of interest with the Company or its subsidiaries.
3. None of the KSM have any conviction for offences within the past five (5) years (other than traffic offences, if any) or have any public sanction or penalty imposed on them by any regulatory bodies during the financial year under review.
4. Save as disclosed, none of the KSM have any directorship in listed or non-listed public companies.

Group Structure



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



KIM LOONG RESOURCES BERHAD

Group Financial Highlights

	2022	2023	2024	2025	2026
STATEMENT OF COMPREHENSIVE INCOME (RM'000)					
Revenue	1,702,716	1,908,343	1,526,133	1,684,021	1,823,858
EBITDA	248,149	294,680	278,975	301,861	322,534
Profit before tax	210,331	252,443	232,284	255,328	271,369
Profit after tax	167,042	199,684	177,859	194,583	206,154
Net profit attributable to owners of the Company	136,580	162,257	147,751	161,422	168,502
STATEMENT OF FINANCIAL POSITION (RM'000)					
Paid-up share capital	369,304	371,865	380,892	386,799	398,010
Total shareholders' equity	919,425	953,700	980,424	1,000,404	1,070,514
Equity attributable to owners of the Company	809,803	834,387	864,917	882,010	939,451
Total assets	1,264,343	1,263,609	1,256,724	1,372,284	1,485,217
PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)					
Earnings	0.14	0.17	0.15	0.17	0.17
Net Assets	0.84	0.86	0.89	0.90	0.96
Gross Dividend	0.14	0.15	0.13	0.15	0.14
Share Price at Year End	1.70	1.79	2.04	2.37	2.40
Weighted Average Number of Share in Issue ('000)	947,227	966,455	968,882	975,325	981,884
FINANCIAL INDICATORS					
Return on Equity (%)	18.17	20.94	18.14	19.45	19.26
Return on Total Assets (%)	13.21	15.81	14.15	14.18	13.88
Gearing Ratio (times)	0.07	0.06	0.05	0.16	0.13
Price-Earnings Ratio (times)	11.79	10.66	13.38	14.32	13.99
Interest Coverage Ratio (times)	109.47	106.09	94.30	78.08	38.11
Gross Dividend Yield (%)	8.24	8.38	6.37	6.33	5.83
STATISTICS					
PLANTATIONS					
Plantation Area (Ha)					
Oil palm					
Mature	13,032	14,259	15,177	14,324	13,836
Immature	2,907	1,681	749	1,551	2,072
Under development	-	-	14	126	92
Unplanted land	323	323	323	323	348
Total plantable area	16,262	16,263	16,263	16,324	16,348
Infrastructure and unplanted land	660	659	659	674	701
Total land area	16,922	16,922	16,922	16,998	17,049
Production and Yield					
Fresh fruit bunches ("FFB") (MT)	265,037	286,987	329,597	310,212	330,021
Yield per mature hectare (MT/Ha)	20.59	20.84	21.69	20.69	23.53
MILLS					
Production and Extraction/Recovery Rates					
Crude palm oil ("CPO") (MT)	311,752	330,968	317,607	314,738	342,720
Oil extraction rate (% of FFB)	21.04	20.75	20.61	20.43	20.80
Palm kernel ("PK") (MT)	75,373	81,763	77,197	75,534	81,239
Kernel recovery rate (% of FFB)	5.09	5.13	5.01	4.90	4.93
AVERAGE SELLING PRICE [RM/MT]					
CPO	4,488	4,898	3,819	4,291	4,245
PK	3,004	2,860	2,010	2,746	3,389

Group Financial Highlights

(CONT'D)

STATEMENT OF COMPREHENSIVE INCOME (RM'000)

REVENUE

2026	1,823,858
2025	1,684,021
2024	1,526,133
2023	1,908,343
2022	1,702,716

PROFIT BEFORE TAX

2026	271,369
2025	255,328
2024	232,284
2023	252,443
2022	210,331

STATEMENT OF FINANCIAL POSITION (RM'000)

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

2026	939,451
2025	882,010
2024	864,917
2023	834,387
2022	809,803

TOTAL ASSETS

2026	1,485,217
2025	1,372,284
2024	1,256,724
2023	1,263,609
2022	1,264,343

PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)

EARNINGS

2026	0.17
2025	0.17
2024	0.15
2023	0.17
2022	0.14

NET ASSETS

2026	0.96
2025	0.90
2024	0.89
2023	0.86
2022	0.84

Chairman's Statement

ON BEHALF OF THE BOARD OF DIRECTORS OF KIM LOONG RESOURCES BERHAD ("KLR"), I AM PLEASED TO PRESENT TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 ("FY2026").

GOOI SEONG LIM

Executive Chairman

FINANCIAL HIGHLIGHTS

RESULTS

The Group delivered a strong performance for FY2026, recording revenue of RM1.82 billion and profit before tax ("PBT") of RM271.37 million, representing increases of 8% and 7% respectively compared to the financial year ended 31 January 2025 ("FY2025"). The improved results were primarily driven by higher production, enhanced processing margins and continued improvements in operational efficiency, achieved against a backdrop of a challenging global economic environment.

In FY2026, the Group's fresh fruit bunches ("FFB") and crude palm oil ("CPO") production increased by 6% and 9% respectively compared to the previous financial year. The average CPO and FFB selling prices were RM4,245 per metric tonne ("MT") and RM846 per MT respectively, remaining broadly in line with FY2025.



Chairman's Statement

(CONT'D)

In addition, the Group's renewable energy operations continued to register encouraging growth, contributing revenue of RM12.97 million from the supply of electricity to the national grids, representing an increase of 23% compared to the previous financial year.

Overall, the Group's performance for FY2026 remained resilient, with a Return on Equity (after tax) at 19.3%, reflecting our continued focus on operational discipline and value creation for shareholders.

DIVIDENDS

The Company remains committed to its established practice of rewarding its shareholders generously over the years. With the strong performance achieved in FY2026, the Company has declared a first interim dividend of 5 sen, a special dividend of 3 sen and a second interim dividend of 6 sen, making a total single tier dividend of 14 sen per share for FY2026 (FY2025: 15 sen per share).

The dividend payout ratio for FY2026 is approximately 82% of the annual profit attributable to owners of the Company. With this, we achieved a dividend yield of 5.8% based on the closing share price of RM2.40 at the end of the financial year.

With a solid financial foundation built over the years, the Group has consistently delivered attractive returns to shareholders. We will remain focus on sustaining profitability and delivering attractive dividend payouts to our shareholders in the coming years as an acknowledgement of our shareholders' continuous support.

GROUP'S RENEWABLE ENERGY OPERATIONS CONTRIBUTING REVENUE

RM

12.97 MILLION

RETURN ON EQUITY (AFTER TAX)

19.3%

TOTAL SINGLE TIER DIVIDEND

14 SEN
PER SHARE

DIVIDEND YIELD

5.8%

Chairman's Statement

(CONT'D)



DEVELOPMENT AND PROSPECTS

Notwithstanding the challenging global environment marked by trade tensions, ongoing geopolitical conflicts, and supply chain disruptions, the Group remains resilient and committed to identifying growth opportunities through the disciplined execution of our prudent corporate strategies.

Moving forward into the financial year 2027 ("FY2027"), barring any climate extremities or unforeseen domestic and global developments, the Group targets to achieve approximately 5% growth in FFB production compared to FY2026. This production target is set after considering the improved age profile of our young productive palms and the on-going replanting program. As part of our plan to achieve long-term sustainability in FFB production, the Group will continue its replanting program and targets to replant about 700 hectares in FY2027.

For the milling operations, the Group is constructing its fourth palm oil mill with processing capacity of 60 MT of FFB per hour in Pantu, Sarawak. The mill is expected to be commissioned in 2 years' time and will enhance our processing capabilities to support future growth.

In terms of CPO price prospects, although the movement of CPO prices has been volatile, the Management expects the average CPO price for FY2027 to stay in the range of RM4,000 to RM4,500 per MT. At this price range, the Group is well-positioned to deliver satisfactory financial results in FY2027.

Nevertheless, CPO prices remain susceptible to currency exchange rate fluctuations, demand and supply of substitute commodities and policy changes of major importing and exporting countries. The Management will continue to vigilantly monitor these developments and take appropriate measures to manage and mitigate the associated risks.

ENVIRONMENT, SOCIAL AND GOVERNANCE ASPECTS

The Group is committed in implementing sustainable operational practices with due consideration given to the way we manage environmental, social, and governance ("ESG") aspects of the business.

In this regard, the Group continues to enforce a mandatory zero-burning protocol in both new planting and replanting activities across our plantations. All our plantations and mills have obtained certification under the Malaysian Sustainable Palm Oil ("MSPO") standard. We also place strong emphasis on employee welfare by providing our employees with modern, comfortable, and functionally designed living quarters with access to clean water and reliable electricity supply.

The Group has installed appropriate treatment systems as well as biogas plants to treat palm oil mill effluent ("POME") and to capture methane produced at our three palm oil mills. In FY2026, we recorded nearly 27 million M³ (FY2025: 31 million M³) of greenhouse gases ("GHG") captured which were either destroyed or repurposed to generate renewable energy for sales as well as to reduce our dependence on diesel power generators.



Chairman's Statement

(CONT'D)

APPRECIATION

I would like to take this opportunity to express my sincere appreciation to the Management and employees 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.

The Company has established an Executives' Share Option Scheme ("ESOS") in FY2025 with the objective of aligning the interests of the Eligible Executives with our corporate goals. The ESOS provides the Eligible Executives with an opportunity to have equity participation in our Company and is also a way for us to recognise and reward our executives for their contribution to the growth of the Group.

I am proud to add that our Kota Tinggi Mill has won the Prime Minister's Hibiscus Award 2024/2025 for Notable Achievement in Environment Performance. This prestigious recognition underscores the Group's proactive efforts in driving environmental stewardship and reducing our carbon footprint.



Finally, a special thanks to my fellow Board members for their continued engagement and to the shareholders for their confidence in the Board and Management of the Group.

GOOI SEONG LIM

Executive Chairman

Johor Bahru, Johor
Date: 15 May 2026

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.

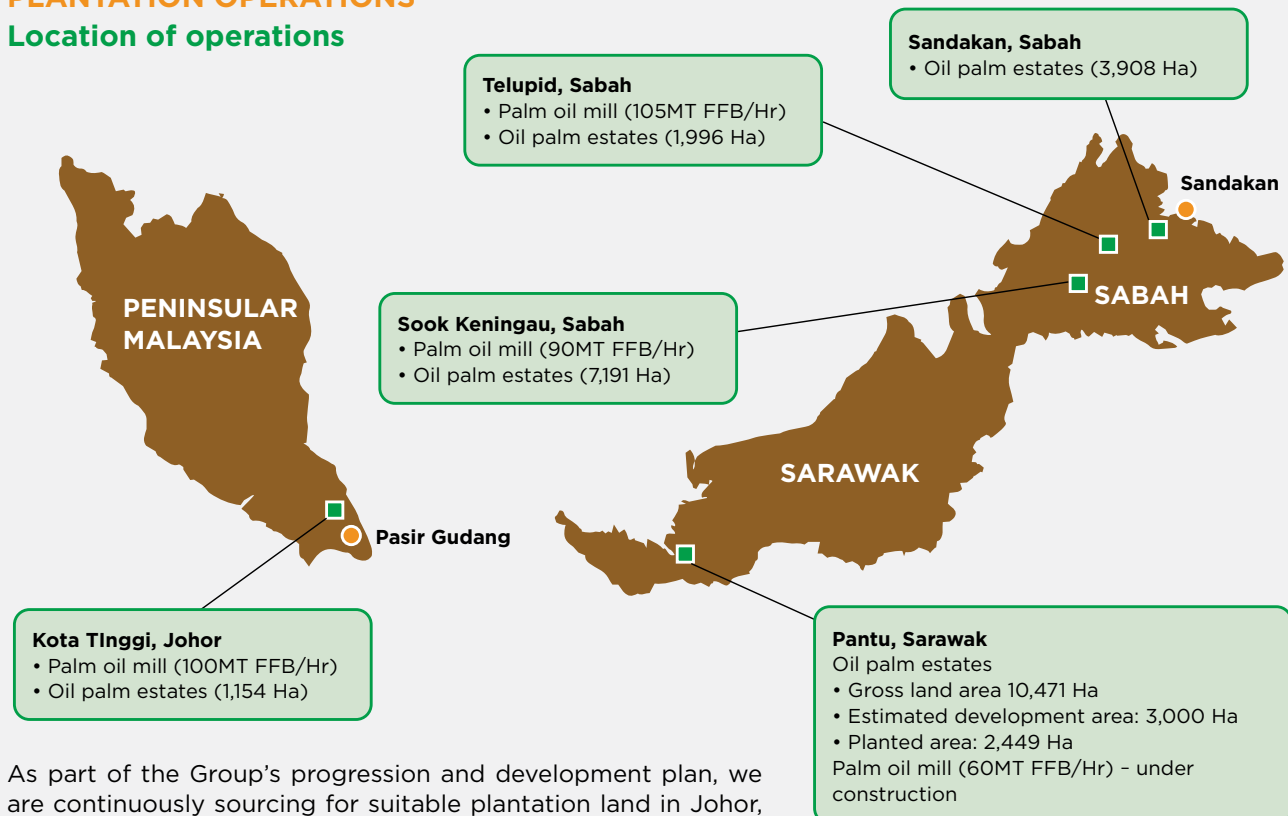
As of 31 January 2026, the Group's total plantation land holdings stood at 17,049 hectares ("Ha") of which 93% are fully planted with oil palms. Of the total planted area, approximately 74% consists of mature palms (above 6 years), 13% are young mature (below 6 years) while the remaining 13% comprises immature plantings. Our plantations are located in three (3) states of Malaysia, namely Johor, Sabah and Sarawak.

The Group also owns and operates three (3) palm oil mills which are strategically located in 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 1.8 million MT per annum. The Group is constructing its fourth palm oil mill located in Pantu, Sarawak with a designed capacity of 60 MT of FFB per hour. This mill is expected to be commissioned in 2 years' time.

Location of operations:

PLANTATION OPERATIONS

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 expansion.

Going forward, the Group remains committed to improving its operational efficiency and optimising returns from both its plantation and palm oil milling assets. We aim to achieve this sustainably, with due consideration for the economic, societal and environmental impacts of our operations.

Management Discussion and Analysis

(CONT'D)

FINANCIAL REVIEW

REVENUE

The Group has recorded annual revenue of RM1.82 billion for the financial year 2026 ("FY2026") as compared to RM1.68 billion for the financial year 2025 ("FY2025"), representing an increase of 8% year-on-year.

The higher revenue was mainly due to higher sales volume in both plantation and palm oil milling operations. Before inter-segments adjustments and eliminations, revenues from both plantation and milling operations improved by 9% 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 FY2026 and FY2025 are as follows:

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

	FY2026 (RM per MT)	FY2025 (RM per MT)	Change (%)
CPO	4,245	4,291	(1.07%)
PK	3,389	2,746	23.42%
FFB	846	825	2.55%

Sales quantity: -

MAIN PALM OIL MILLING PRODUCTS:	FY2026 (MT)	FY2025 (MT)	Change (%)
CPO	342,644	323,184	6.02%
PK	86,874	77,693	11.82%

PLANTATION PRODUCE:			
FFB: to own mills	286,127	261,156	9.56%
to external parties	43,894	49,056	(10.52%)
TOTAL	330,021	310,212	6.39%

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

The Group has recorded other income of RM25.47 million for the year, which was marginally higher than the RM25.09 million recorded in FY2025. The main components of other income are interest income and gains on fair value changes in short-term funds of RM9.70 million (FY2025: RM8.99 million) and RM9.10 million (FY2025: RM5.10 million) respectively, which made up 74% (FY2025: 56%) of total other income.

Management Discussion and Analysis

(CONT'D)

COST OF SALES

The Group's total cost of sales has increased by 8% or RM113.48 million to RM1.50 billion, mainly due to the higher cost of FFB purchased by mills.

The production of CPO and PK, our major palm oil milling products, has increased by about 9% and 8% respectively whilst the FFB production of our plantation operations has also increased by 6%. The summary of the production of major products by the Group is tabulated below: -

	FY2026 (MT)	FY2025 (MT)	Change (%)
CPO	342,720	314,738	8.89%
PK	81,239	75,534	7.55%
FFB	330,021	310,212	6.39%

Unit Cost of Production of CPO

Under the palm oil milling operations, the processing cost (excluding raw materials) per MT of CPO has increased to RM320 per MT of CPO which was 2% higher than the cost of RM314 per MT of CPO in FY2025. The increase in costs was mainly due to higher upkeep and maintenance costs for machinery as well as higher wages but cushioned by higher production throughput and better oil extraction efficiency.

On the other hand, the total cost of production per MT of CPO (including raw materials) has also dropped slightly from RM2,040 to RM1,970, representing a decline of 3% which was mainly due to the lower FFB production cost per MT as a result of higher FFB production and yield per hectare as compared to the preceding year. The windfall profit levy absorbed by the Group during the year was RM6.25 million, which has dropped by 15% as compared to RM7.39 million in FY2025.

FINANCE COST

Finance cost recognised in the income statement has increased by 120% or RM4.00 million to RM7.31 million as compared to FY2025 mainly due to the drawdown of Medium Term Notes ("MTN") of RM120 million in November 2024.

PROFIT BEFORE TAX ("PBT")

With an 8% increase in revenue, the Group achieved a record PBT of RM271.37 million for FY2026 which was 6% higher as compared to RM255.33 million for FY2025. This was mainly due to the higher FFB production and average FFB selling price.

TOTAL COST OF SALES

RM

1.50 BILLION



PRODUCTION OF CPO AND PK INCREASED BY ABOUT

9% AND 8%

RESPECTIVELY



PALM OIL MILLING OPERATIONS PROCESSING COST PER MT OF CPO

RM

320



TOTAL COST OF PRODUCTION PER MT OF CPO

RM

1,970



PROFIT BEFORE TAX

RM

271.37 MILLION



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KIM LOONG RESOURCES BERHAD

Management Discussion and Analysis

(CONT'D)

TAXATION

The effective tax rate for FY2026 of 24.02% was close to the statutory tax rate of 24%.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Profit attributable to equity holders of the Company improved by 4% year-on-year to RM168.50 million as compared to RM161.42 million in FY2025.

As for the earnings per share, the Group achieved 17.16 sen for FY2026 as compared to 16.55 sen recorded in the preceding financial year.

CASH FLOWS

The Group's cash and cash equivalents (excluding short-term funds) as at year end have increased by 6% or RM15.32 million to RM262.65 million mainly due to the strong operating performance.

The Group's investments in short-term funds have increased by 20% or RM54.23 million to RM329.54 million as compared to FY2025. It is expected that investments in short-term funds will generate a higher return as compared to conventional deposits with banks.

It is the Group's practice to invest in short-term funds as part of its cash flow and liquidity management. At the end of the financial year, the total short-term funds and cash and cash equivalents stood at RM592.19 million (FY2025: RM522.64 million).

DIVIDEND

With the record profit achieved for FY2026, shareholders were rewarded with a first interim dividend of 5 sen, a special dividend of 3 sen and a second interim dividend of 6 sen, making a total single tier dividend of 14 sen per share for FY2026 (FY2025: 15 sen per share).

The first interim dividend of 5 sen and the special dividend of 3 sen each were paid on 13 November 2025 and 10 February 2026 respectively whilst the payment date for the second interim dividend for FY2026, declared on 26 March 2026, will be on 18 May 2026.

The dividend payout ratio for FY2026 is approximately 82% (FY2025: 91%) of the annual profit attributable to owners of the Company. With this, we achieved a dividend yield of 5.83% based on the closing share price of RM2.40 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 banks.

Dividend Payout

Financial Year	Dividend Yield (%)	Gross Dividend (sen)
2022	8.24	14.00
2023	8.38	15.00
2024	6.37	13.00
2025	6.33	15.00
2026	5.83	14.00

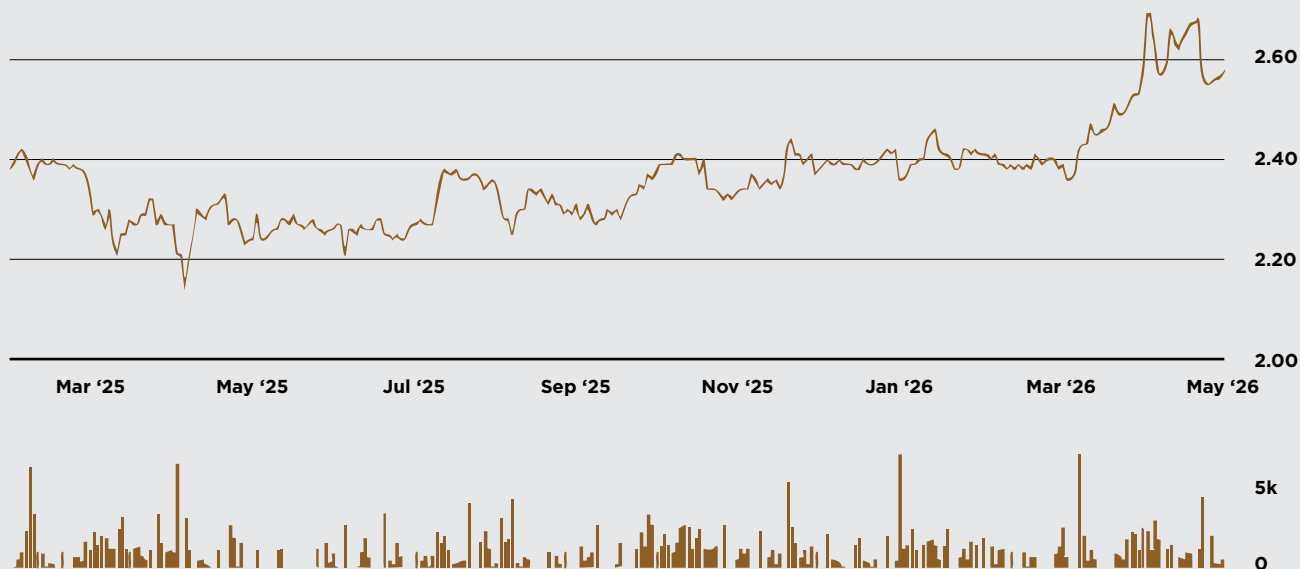
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Management Discussion and Analysis

(CONT'D)

SHARE PRICE PERFORMANCE

Our Company's share price performance for the period from 1 February 2025 to 30 April 2026:



Source: Bursa Malaysia

During the financial year, the Company's shares traded in the range of RM2.12 to RM2.45, and closing at RM2.40 at the end of the financial year.

CAPITAL EXPENDITURE

The Group incurred capital expenditure of RM42.27 million in FY2026 which was 28% lower than the RM58.40 million in FY2025. The capital expenditure incurred for the plantation operations of RM19.51 million was mainly for replanting and maintenance of immature replanted areas. The palm oil milling operations incurred capital expenditure of RM22.34 million for equipment upgrade and replacement purposes.

The allocation of capital expenditure incurred is as follows:

OPERATIONS:	FY2026 %	FY2025 %
Palm oil milling	53	66
Plantation	46	33
Other	1	1
TOTAL	100	100

Management Discussion and Analysis

(CONT'D)

REVIEW OF OPERATING ACTIVITIES

PALM OIL MILLING OPERATIONS

The Group's revenue from palm oil milling operations was RM1.79 billion in FY2026, representing a 9% increase year-on-year, mainly benefiting from higher sales volume of CPO and PK by 6% and 12% respectively.

The palm oil milling operations achieved a profit of RM122.23 million which was 4% higher than RM117.35 million recorded for the last financial year.

With improvement of CPO extraction rate to 20.80% (FY2025: 20.43%), the operations achieved a satisfactory processing margin in FY2026 with higher milling capacity utilisation in the year. During the financial year, the Group achieved near optimum utilisation of processing capacity with a throughput of 1.65 million MT of FFB which was 7% higher than the 1.54 million MT of FFB processed in the last financial year.

Total CPO production for the year under review was 342,720 MT, which was 9% higher than 314,738 MT recorded in the last financial year.

Sales of CPO, the main product, were up by 6% to 342,644 MT as compared to 323,184 MT in the last financial year. The market conditions and demand for the Group's CPO have been strong and stable throughout the financial year. As of the year end, the Group's CPO inventory stood at 13,600 MT (FY2025: 5,400 MT).

The average selling price of CPO of the Group for FY2026 was RM4,245 per MT which was slightly lower than RM4,291 per MT in the last financial year.

The total processing capacity of the three (3) palm oil mills of the Group is 295 MT of FFB per hour with the capability to process up to 1.8 million MT of FFB per 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 prices.

The extraction rate for CPO and recovery rate for PK for FY2026 and FY2025 are analysed as follows:

	FY2026	FY2025	Change (%)
CPO:			
KLR Group CPO extraction rate (%)	20.80	20.43	1.81%
Malaysia National CPO extraction rate* (%)	19.74	19.67	0.36%
PK:			
KLR Group PK recovery rate (%)	4.93	4.90	0.61%
Malaysia National PK recovery rate* (%)	4.67	4.64	0.65%

* The statistics for Malaysia National CPO extraction and PK recovery rates are extracted from MPOB website based on calendar year 2025 and 2024 whilst the figures from KLR Group are based on its financial year (Feb - Jan).

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KIM LOONG RESOURCES BERHAD

Management Discussion and Analysis

(CONT'D)

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

CPO extraction and PK recovery rates

Financial Year	PK (%)	CPO (%)
2022	5.09	21.04
2023	5.13	20.75
2024	5.01	20.61
2025	4.90	20.43
2026	4.93	20.80

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:

Financial Year	KLR Group (%)	Malaysia* (%)
2022	21.04	20.01
2023	20.75	19.70
2024	20.61	19.86
2025	20.43	19.67
2026	20.80	19.74

* The statistics for Malaysia National CPO extraction rates are extracted from MPOB website based on calendar year 2021 - 2025 whilst the figures from KLR Group are based on its financial year (Feb - Jan).

Currently, all three (3) of our palm oil mills have methane gas-capturing facilities to reduce greenhouse gas emissions. With the implementation of the methane gas-capturing projects, the Group has successfully commissioned the utilisation of biogas in gas engines with total installed capacity of 5.4 megawatts for internal use. 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 shells which can be made available for sales.

Besides supplying renewable energy for internal use in our own operations, the Group also participates in projects to supply power to the national power grids using biogas engines and has generated a total revenue of RM12.97 million (FY2025: RM10.58 million). The plant at Kota Tinggi mill, which has an approved net export capacity of 1.8 megawatt ("MW"), has contributed revenue of RM5.62 million in FY2026 (FY2025: RM3.94 million) whilst the plant at Keningau mill, which has an approved net export capacity of 2.0 MW, has generated revenue of RM4.62 million over the same period (FY2025: RM5.86 million). Lower revenue from the plant at Keningau was mainly due to machinery breakdown causing disruption in power production.

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Management Discussion and Analysis

(CONT'D)

On the other hand, our biogas plant in Telupid mill with an approved net export capacity of 1.5 MW, has generated revenue of RM2.73 million (FY2025: RM0.78 million) in FY2026.

In FY2026, the Group recorded nearly 27 million M³ (FY2025: 31 million M³) of greenhouse gas (“GHG”) captured which were either destroyed or repurposed to generate renewable energy for sales as well as to reduce our dependence on diesel power generators.

PLANTATION OPERATIONS

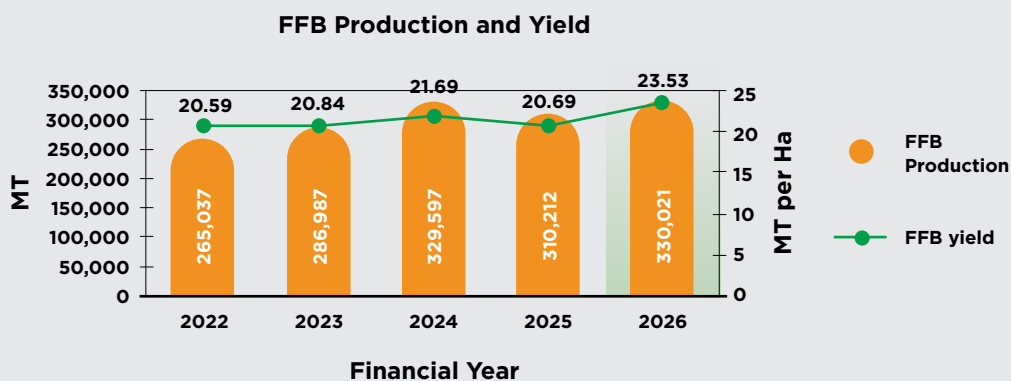
Revenue from plantation operations hit RM279.17 million in FY2026, representing an increase of 9% or RM23.30 million, as compared to RM255.87 million in the previous financial year, mainly due to a 6% higher FFB production with a 3% higher average FFB selling price.

Our plantation operations generated a profit of RM157.53 million which was 12% or RM16.33 million higher than the RM141.20 million recorded for the last financial year. The improvement in profitability was mainly due to higher FFB yield per hectare together with higher average FFB selling price.

The Group’s FFB production for the year under review was 330,021 MT which was 6% higher than the 310,212 MT achieved in the last financial year. The increase in production was mainly due to a sharp recovery of 19% or 20,700 MT in FFB production from the Group’s estate in Keningau, Sabah with improved yield performance of young productive palms. The Group has carried out replanting of 490 hectares during FY2025.

In terms of FFB yield per hectare, the Group achieved 23.53 MT for FY2026 which was 14% higher than the 20.69 MT in the previous financial year. The higher yield per hectare was mainly due to the good performance of our estates in Keningau, Sabah especially young palms area.

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:



75% and 17% of the Group’s productive areas are in Sabah and Sarawak respectively whilst the remainder is in Johor.

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KIM LOONG RESOURCES BERHAD

Management Discussion and Analysis

(CONT'D)

Most of the FFB produce from our estates in Johor and Sabah were supplied to our own mills near the estates while the FFB produce from our estates in Sarawak were 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)

Financial Year	Sabah	Sarawak	Johor
2022	76	16	8
2023	78	14	8
2024	80	13	7
2025	78	14	8
2026	79	13	8

Sales of FFB

Financial Year	Own mills	External parties
2022	83.6	16.4
2023	84.6	15.4
2024	86.0	14.0
2025	84.2	15.8
2026	86.7	13.3

Our average oil yield per Ha for the Group's estates in Sabah has increased to 5.24 MT per Ha in FY2026 as compared to 4.44 MT per Ha in FY2025 mainly due to higher FFB yield per Ha and CPO extraction rate. As a result, we have recorded improvement in the overall Group's average oil yield at 4.93 MT per Ha as compared to 4.33 MT per Ha in FY2025.

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KIM LOONG RESOURCES BERHAD

Management Discussion and Analysis

(CONT'D)

The yields per Ha for FY2026 and FY 2025 are analysed as follows:

	FY2026	FY2025	Change (%)
FFB Yield:			
KLR Group FFB Yield (MT per Ha)	23.53	20.69	13.73%
Malaysia National FFB Yield* (MT per Ha)	17.77	16.70	6.41%
CPO Yield:			
KLR Group CPO Yield (MT per Ha)	4.93	4.33	13.86%
Malaysia National CPO Yield* (MT per Ha)	3.50	3.28	6.71%

* The statistics for Malaysia National FFB and CPO yields are extracted from MPOB website based on calendar year 2025 and 2024 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:

Financial Year	KLR Group (MT/Ha)	Malaysia* (MT/Ha)
2022	20.59	15.47
2023	20.84	15.49
2024	21.69	15.79
2025	20.69	16.70
2026	23.53	17.77

* The statistics for Malaysia National FFB yield are extracted from MPOB website based on calendar year 2021 to 2025 whilst the figures from KLR Group are based on its financial year (Feb - Jan).

As of 31 January 2026, the Group's total planted area (excluding land for infrastructure, area under development and unplanted land) is 15,908 hectares with an average palm age of 14 years.

AGE PROFILE OF PALMS (AS OF 31 JANUARY 2026)

Age Group	Percentage
< 3 years (Immature)	13%
3 - 6 years (Young mature)	13%
7 - 15 years (Prime mature)	31%
16 - 20 years (Old mature)	20%
> 20 years (Pre-replanting)	23%

The Group has carried out replanting of 490 hectares during FY2026.

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Management Discussion and Analysis

(CONT'D)

RISKS EXPOSURE AND MITIGATION

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

- a) Volatility in palm oil commodity prices as well as foreign currency exchange rates;
- b) Fluctuations in production of FFB due to seasonal cyclical as well as weather factors such as El Nino and La Nina phenomenon;
- c) Demand for palm oil products that may be adversely affected by supply of alternative oils and fats worldwide;
- d) Policies of major importing and exporting countries;
- e) Shortage of skilled labour in plantation sector;
- f) Increase in operational cost partly caused by upward trend in minimum wages as well as increased recruitment cost for foreign workers; and
- g) Geoeconomic fragmentation and trade tensions which may create challenges in the plantation industry supply chain.

The overall risk profile of the Group remains broadly consistent with that of the previous financial year. Nonetheless, the operating environment continues to reflect elevated global macroeconomic and geopolitical uncertainties, which have contributed to ongoing volatility in commodity markets, foreign exchange movements and key input costs. In particular, fertiliser prices and logistics-related costs have remained susceptible to external disruptions, while policy developments in key markets continue to influence trade flows and demand patterns for palm oil products. Domestically, labour availability remains a structural constraint for the plantation sector, with regulatory requirements and recruitment dynamics continuing to impact operational capacity.

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 the impact 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 industry is still labour-intensive, 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, in order to achieve optimal operational efficiency in terms of both production quantity and quality.

DEVELOPMENT AND PROSPECTS

PLANTATION OPERATIONS:

In order to achieve long-term sustainable production and optimum palm age profile, the Group targets to replant about 700 hectares of old palms in the financial year 2027.

For the financial year ending 31 January 2027, Management targets to achieve a 5% growth in FFB production, after considering the improved age profile of our young productive palms and the 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 remains within the range of RM4,000 - RM4,500 per MT level for the financial year 2027.

Management Discussion and Analysis

(CONT'D)

MILLING OPERATIONS:

Management targets to achieve a total processing throughput of 1.6 million MT of FFB for the financial year 2027. In addition, Management targets to maintain its oil extraction efficiency in the financial year 2027.

To support our plantation operations in Sarawak, the Group has commenced construction of its fourth palm oil mill located in Pantu, Sarawak. This mill is expected to be commissioned in 2 years' time.

Revenue from supply of renewable energy to national grids for the financial year 2027 is projected to be in the region of RM14 million.

Given the continued volatility in palm oil prices, Management expects the milling operations to perform satisfactorily, supported by strong production efficiency and competitive FFB procurement strategies. Comparing to our plantation operations, our palm oil milling business is less sensitive to volatility of palm oil prices.

GENERAL:

The plantation industry continues to operate within a challenging environment characterised by commodity price volatility, structural labour constraints, inflationary cost pressures, evolving weather patterns and developments in global biofuel policies. These conditions are further influenced by heightened geopolitical tensions and geoeconomic uncertainties, which have contributed to fluctuations in input costs, foreign exchange movements and global trade dynamics.

In this context, the Management will continue to exercise vigilance in monitoring key risk developments and maintaining a disciplined approach to risk management. Emphasis will be placed on cost optimisation, operational efficiency and sustainable plantation practices to mitigate potential adverse impacts on the Group's operations and financial performance. Through these measures, the Group remains focused on sustaining operational resilience and delivering a satisfactory performance for the financial year ending 31 January 2027.



KIM LOONG RESOURCES BERHAD



Sustainability Statement

BASIS OF PREPARATION

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.

SCOPE & BOUNDARY

This report covers the activities, operations and impacts of Kim Loong Resources Berhad (“KLRB” or “the Company”) and its subsidiary companies (collectively referred to as the “KLRB Group”) for the financial period from 1 February 2025 to 31 January 2026 (“FY2026”) unless stated otherwise.

The scope of this report includes:

- All operating subsidiaries where we have significant influence;
- Both material financial and non-financial performance of the Group’s environmental, social and governance (“ESG”) initiatives; and
- Material sustainability matters identified as critical by stakeholders and our related business strategies to address such matters.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that reflect current assumptions and expectations of future events. This report is subject to uncertainties and risks, which may cause actual results to differ significantly from those anticipated. It is important to note that these forward-looking statements do not provide any warranty or guarantee that the anticipated results will be achieved.

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.

Sustainability Statement

(CONT'D)

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. KLRB Group's principal activities, which remain largely unchanged during the financial year ended 31 January 2026, 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.

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.



ENVIRONMENT

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



COMMUNITY

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



WORKPLACE

- To create a conducive and balanced working environment encircling good practices, safety and well-being of employees.
- To attract, nurture and retain talent.
- To offer competitive and fair remuneration.
- To provide continuous development through training and further academic learning.



GOVERNANCE

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

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

- Evaluates the Group’s overall sustainability strategies, direction and agenda.
- Conducts the final review and approval on sustainability matters relating to the Group.

MANAGING DIRECTOR

- Drives and monitors the implementation of the Group’s sustainability strategies, direction and agenda.
- Approves sustainability strategies and framework.

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE (“RMSC”)

- Evaluates overall sustainability risks and opportunities and develops the sustainability strategies with agenda for implementation.
- Monitors implementation of sustainability programs to ensure compliance by all departments at operational level.
- Resolves critical or major sustainability issues that may impact the Group.
- Periodically reviews the progress of sustainability implementation and reports to the Board.
- Reports to the Board of any unresolved critical sustainability issues.

WORKING GROUPS (PLANTATION)

- Supports and promotes effective implementation of the sustainability strategies by monitoring, reviewing, and improving sustainability practices across the Group’s estates.
- Ensures resources and procedures are in place to achieve the Group’s plantation sustainability commitments and targets.
- Continuously improves the management system to meet Malaysian Sustainable Palm Oil (“MSPO”) Standard.
- Periodically reports to RMSC on the progress of sustainability implementation in plantation.
- Reports to RMSC of any critical or major sustainability issues in plantation.

WORKING GROUPS (MILLING)

- Supports and promotes effective implementation of the sustainability strategies by monitoring, reviewing and improving sustainability practices in mills.
- Ensures resources and procedures are in place to achieve mill operations’ sustainability commitments and targets.
- Continuously improves the management system to meet the requirements of MSPO, ISCC and other Quality Management Systems.
- Periodically reports to RMSC on the progress of sustainability implementation in mills.
- Reports to RMSC of any critical or major sustainability issues in mills.

Sustainability Statement

(CONT'D)

IFRS SUSTAINABILITY DISCLOSURE

Our Context and Commitment

KLRB operates across the palm oil value chain, with core activities in plantation management and milling. Climate change presents both risks and opportunities for the Group's operations, assets, and stakeholder relationships, influencing yields, milling efficiency, operating costs, market competitiveness, and access to financing. At the same time, the transition to a lower-carbon economy offers opportunities in operational efficiency, renewable energy integration, new services, resilience enhancement, and reputation management.

KLRB's climate initiatives are anchored to its long-term sustainability vision and structured around the four pillars of Governance, Strategy, Risk Management, and Metrics & Targets, consistent with international best practices. In line with national priorities under the National Sustainability Reporting Framework (NSRF), KLRB has committed to focus first on compliance with IFRS S2, ensuring robust disclosure of climate-related risks and opportunities. The Group will progressively build up compliance with IFRS S1 requirements, with the goal of achieving full compliance by FY2029, aligned with the NSRF timeline.

KLRB has already defined internal time horizons to guide climate-related planning and investment decisions; however, these horizons are currently used for internal management purposes and are not yet ready for public disclosure. This phased approach reflects the Group's commitment to transparency and resilience, while recognising the need to strengthen internal capabilities and systems before expanding disclosures.

As part of this journey, KLRB has completed its Climate-related Risks and Opportunities (CRROs) Assessment, which is progressively being embedded into the Group's Enterprise Risk Management Framework and validated through senior management and RMSC deliberations. This marks a significant milestone in strengthening climate governance and disclosure practices. Building on this foundation, KLRB will progressively undertake climate scenario analysis to evaluate potential future pathways and their implications for plantation and milling operations. Financial implication assessments will be conducted to quantify the impact of climate-related risks and opportunities on the Group's financial performance and cashflow. Mitigation and adaptation strategies will be developed to strengthen operational resilience and reduce exposure to both physical and transition risks.

The Group will also expand its greenhouse gas emissions profiling to include material Scope 3 categories across the palm oil value chain and establish quantifiable climate-related metrics and targets covering emissions, energy use, water stewardship, waste reduction, and biodiversity. Through these initiatives, KLRB aims to enhance transparency, strengthen resilience, and achieve full compliance with IFRS S1 and IFRS S2 by FY2029, in alignment with the NSRF timeline. This forward-looking commitment underscores the Group's determination to align its sustainability journey with global best practices and evolving stakeholder expectations.

GOVERNANCE

KLRB has established a robust sustainability governance framework to ensure clear accountability and effective oversight of climate-related risks and opportunities. The Risk Management and Sustainability Committee (RMSC), chaired by the Managing Director and supported by Executive Directors and Heads of Business Units, reports directly to the Board of Directors. The RMSC is supported by working groups comprising committee members and key management staff, who are responsible for facilitating the implementation of climate-related initiatives, monitoring identified CRROs, supporting data collection and reporting processes, and providing operational insights to support climate-related assessments and decision-making. Outcomes of these deliberations are escalated to the Board for notification and comments, ensuring that climate considerations are embedded into decision-making at the highest level.

At the operational level, dedicated working groups across plantation and milling operations are responsible for implementing climate-related strategies and monitoring climate-related performance and initiatives. Through regular monitoring and continuous improvement efforts, KLRB seeks to ensure that appropriate resources, processes and controls are in place to support the Group's climate-related commitments and targets, while strengthening the climate resilience of its operations.

Sustainability Statement

(CONT'D)

STRATEGY

KLRB's strategy is designed to integrate climate-related considerations into its core business model, supporting long-term resilience and sustainable growth across its plantation and milling operations. The Group has undertaken a climate-related risks and opportunities ("CRROs") assessment to identify material climate-related drivers, impacts and strategic priorities relevant to its operations and value chain.

To support strategic planning and climate resilience efforts, KLRB has internally defined short-, medium- and long-term time horizons to assess potential climate-related impacts and guide the prioritisation of mitigation and adaptation measures. These time horizons will also support the Group's future climate scenario analysis and investment planning.

Key strategic priorities identified by the Group include strengthening plantation resilience through water stewardship, soil management and climate-resilient agricultural practices; enhancing operational efficiency through the adoption of energy-efficient technologies and integration of renewable energy within operations; and improving supply chain traceability to support alignment with No Deforestation, No Peat and No Exploitation ("NDPE") commitments and evolving sustainability expectations.

In addition, KLRB continues to strengthen operational resilience through emergency preparedness measures, infrastructure improvements and workforce capability development to enhance the Group's ability to respond and adapt to climate-related risks while positioning the Group to capture climate-related opportunities.

RISK MANAGEMENT

KLRB adopts a structured and systematic approach to identify, assess, monitor and manage climate-related risks and opportunities ("CRROs"), as part of its ongoing efforts to integrate climate-related considerations into the Group's ERM Framework and strategic decision-making processes. Material CRROs identified through the assessment process are monitored periodically as part of the Group's ongoing risk management processes.

The climate risk and opportunity assessment is guided by a four-step process:

- **Identification:** Potential climate-related risks and opportunities are identified through the review of historical climate-related data, peer benchmarking, credible scientific and market sources, regulatory developments and operational observations across the Group's plantation and milling operations.
- **Impact Mapping:** Qualitative mapping of business impacts is conducted to understand how identified climate-related risks may affect operations, strategy, and financial performance.
- **Assessment and Prioritisation:** Management evaluates and prioritises identified climate-related risks based on their likelihood and potential magnitude of impact using risk scoring criteria and thresholds aligned with the Group's existing ERM methodology, resulting in the development of a climate risk heatmap to support prioritisation and monitoring efforts. Climate-related opportunities are assessed qualitatively to support strategic planning and business resilience considerations.
- **Senior Management Deliberation:** Senior management deliberates on and endorses the prioritised climate-related risks and material opportunities, ensuring alignment with strategic planning and disclosure requirements.

Recognising the evolving nature of climate-related risks and market expectations within the plantation industry, KLRB continues to monitor external developments and operating environment signals to anticipate emerging risks and opportunities that may influence the Group's operational performance, resilience and long-term sustainability.

Sustainability Statement

(CONT'D)

Climate-related Risks

PHYSICAL RISKS		
Identified Risks	Time Horizons	Potential Impacts
Acute Risks		
Extreme Weather	Short to Medium Term	Disruption to harvesting, transportation and milling activities, damage to infrastructure, and increased operational and maintenance costs.
Drought	Short to Long Term	Reduced FFB yields and palm productivity, increased water management costs, and potential disruption to milling operations.
Landslide	Medium to Long Term	Damage to estate roads and infrastructure, and disruption to operational accessibility and logistics activities.
Flood	Short to Medium Term	Operational downtime, disruption to harvesting and milling activities, infrastructure damage, and increased repair costs.
Wildfire	Medium Term	Reduced air quality, disruption to operations, potential damage to plantations, and increased regulatory and reputational risks.
Water Scarcity	Medium to Long Term	Reduced water availability for plantation and milling operations, increased operational costs, and greater need for water management measures.

Sustainability Statement

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PHYSICAL RISKS

Identified Risks	Time Horizons	Potential Impacts
Chronic Risks		
Rising Mean Temperature	Medium to Long Term	Reduced palm productivity and FFB yields, increased heat stress on workers, higher cooling and water requirements, and greater exposure to pest and disease outbreaks.
Extreme Precipitation	Medium to Long Term	Increased soil erosion, waterlogging and drainage challenges, disruption to harvesting and transportation activities, and potential damage to estate and mill infrastructure.

TRANSITION RISKS

Risks Categories	Identified Risks	Potential Impacts
Policy & Legal	Increasing sustainability compliance requirements	Increased compliance, reporting and assurance costs, as well as potential operational adjustments to meet evolving regulatory and disclosure requirements.
	Emerging carbon pricing and methane regulation	Higher operating costs arising from potential carbon taxes, methane reduction measures and investments in emissions management initiatives.
	Land-use constraints & no deforestation requirements	Reduced flexibility for land expansion, increased compliance and monitoring costs, and potential impact on future growth plans.
	Escalating sustainability-linked operational requirements	Additional investments required for certification, traceability, sustainable sourcing and operational improvements across the value chain.

Sustainability Statement

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TRANSITION RISKS

Risks Categories	Identified Risks	Potential Impacts
Technology	High CAPEX and integration risks in mill decarbonisation	Significant capital expenditure requirements, implementation challenges and potential operational disruption during technology integration.
	Technology transformation in plantations	Increased investment in precision agriculture, mechanisation and digital technologies, alongside workforce adaptation and training needs.
Market	Rising demand for low-carbon, fully traceable, NDPE-compliant palm oil	Potential loss of market access or customer preference if products do not meet evolving sustainability expectations and procurement requirements.
	Competitive pressure from peers with advanced low-carbon transformation	Reduced competitiveness and potential margin pressures if decarbonisation and sustainability initiatives lag behind industry peers.
	Risk of rising input prices due to market climate-related shifts	Increased costs for fertilisers, energy, logistics and raw materials, potentially affecting operating margins and profitability.
Reputation	Heightened scrutiny from ESG investors, NGOs, and global buyers	Reputational damage, reduced investor confidence and potential loss of customers or financing opportunities arising from perceived sustainability performance gaps.

Sustainability Statement

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Climate-related Opportunities

OPPORTUNITIES		
Categories	Identified Opportunities	Potential Impacts
Energy	Cost Savings from Renewable Energy & Biogas Adoption	Reduced energy costs, improved operational efficiency and potential long-term cost savings from renewable energy utilisation.
	Diversification Into Low-Carbon Energy Solutions	Potential new revenue streams and enhanced business resilience through participation in low-carbon energy initiatives.
Products & Services	New Products via Circular Economy & Waste Utilisation	Additional revenue opportunities from by-products and waste valorisation, while improving resource efficiency and waste management.
Market	Access to New Low-Carbon & NDPE-Compliant Markets	Improved market access and ability to meet evolving customer and export market sustainability requirements.
	Enhanced Market Competitiveness Through Early Compliance with Global Regulations	Strengthened competitive positioning and customer confidence through proactive sustainability and regulatory alignment.
Resilience	Higher Yields Through Precision Agriculture & Resilient Seed Varieties	Improved plantation productivity, operational efficiency and resilience against climate-related impacts.
	Greater Resilience Through Water Management & Climate Adaptation Infrastructure	Reduced operational disruptions and enhanced resilience of plantation and milling operations against climate-related events.
Operations	Lower Operating Costs via Mechanisation & Automation	Improved labour productivity, operational efficiency and long-term cost optimisation.

Sustainability Statement

(CONT'D)

OPPORTUNITIES

Categories	Identified Opportunities	Potential Impacts
Finance	Strengthened Stakeholder Through MSPO 2.0 Leadership	Brand & Confidence Stronger stakeholder trust and improved customer and investor confidence.
	Improved Access to Capital Through ESG Performance	Greater access to sustainability-linked financing and potential financing advantages through stronger ESG performance.

METRICS AND TARGETS

KLRB monitors climate-related performance to support informed decision-making and strengthen operational resilience across its plantation and milling operations. The Group measures greenhouse gas (“GHG”) emissions in accordance with the Greenhouse Gas Protocol, covering Scope 1, Scope 2 and required Scope 3 emissions sources.

KLRB continues to implement initiatives aimed at improving environmental performance and supporting its climate-related priorities. These include the adoption of renewable energy through solar photovoltaic systems, electrification of selected milling equipment, energy efficiency improvements through LED retrofits and digital optimisation initiatives, as well as water stewardship measures such as rainwater harvesting and efficient irrigation practices. The Group also undertakes waste management and recycling initiatives, while continuing efforts to conserve biodiversity through reforestation activities and the protection of high conservation value areas.

Moving forward, KLRB intends to further strengthen its climate-related performance monitoring by progressively establishing measurable metrics and targets across key areas such as GHG emissions, energy consumption, water management, waste reduction and biodiversity conservation. These metrics and targets will be aligned with the Group’s internally defined short-, medium- and long-term time horizons to support ongoing climate resilience and sustainability efforts.



Sustainability Statement

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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.

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 FY2026 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 sessions
- Stakeholder meetings

Our Response

- Enhance better understanding and awareness among employees on Group Policies, sustainability requirements and compliance.
- Improve mechanism for channeling 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.

Sustainability Statement

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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
- Board Committee 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 and meet their expectations.

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
- On-line communications (e.g. email)
- On-going internal and external meetings
- Conferences/forums/seminars
- Site visits
- One to one meetings
- Contract negotiations

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

- Sustainability of supply chain
- Licensing and certification, ethical practices, vendors development, occupational safety and health, products and services quality
- Compliance with EUDR requirements, 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 relations.
- 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.

Sustainability Statement

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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.



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
- KLRB whistleblowing channel
- Community Development Program
- Awareness briefings
- Meetings
- Circulars/notices
- Dialogue sessions
- One-to-one communications
- Stakeholders meetings
- Community out-reach activities and development programs

Our Response

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

Sustainability Statement

(CONT'D)



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

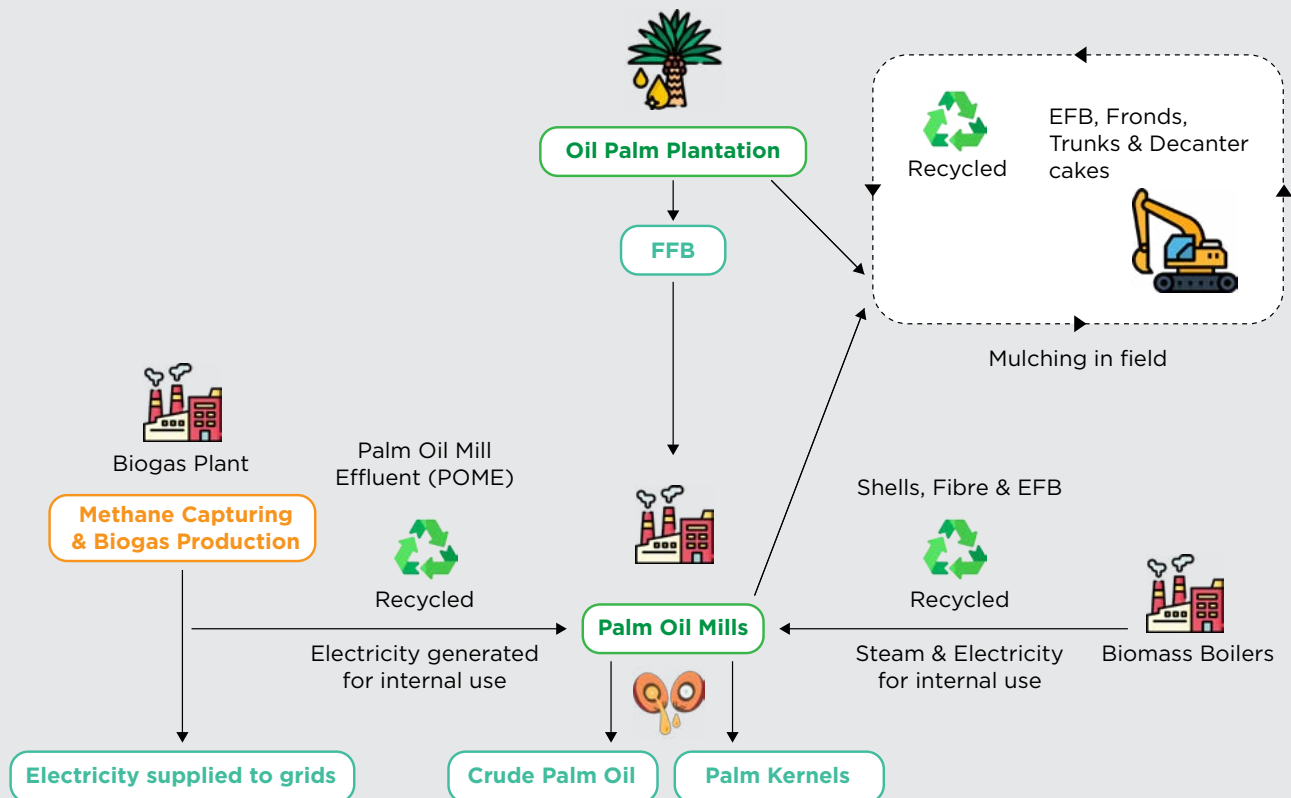
- Business meetings
- Strategic dialogues
- Conferences/forums
- Operational site visits

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.

OUR VALUE CHAIN



Sustainability Statement

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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.

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 material findings and areas for improvement highlighted by the auditors.



MSPO

The MSPO standards define clear expectations of our operations in the following areas:

1. Management commitment and responsibility
2. Transparency
3. Compliance with legal requirements
4. Social responsibility, safety and employment conditions
5. Environment, natural resources, biodiversity and ecosystem services.

To ensure consistent adherence to the required standards, we have established robust procedures across key areas, including management accountability, transparency, legal compliance, social responsibility, environmental stewardship, best practices and responsible development.

In parallel, we have enhanced support for our stakeholders – particularly FFB suppliers – in obtaining MSPO certification. This approach not only creates growth opportunities for our partners but also strengthens the long-term resilience of our supply chain.

Sustainability Statement

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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 FY2026 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.

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:



ENVIRONMENTAL

1. Effluent Management
2. Waste Management
3. Water Management
4. Biodiversity and Conservation
5. Integrated Pest Management
6. No Deforestation, No Peat and No Exploitation Commitments
7. Reduction of Greenhouse Gases Emission



SOCIAL

8. Human Capital Management
9. Health and Safety at Workplace
10. Community Development

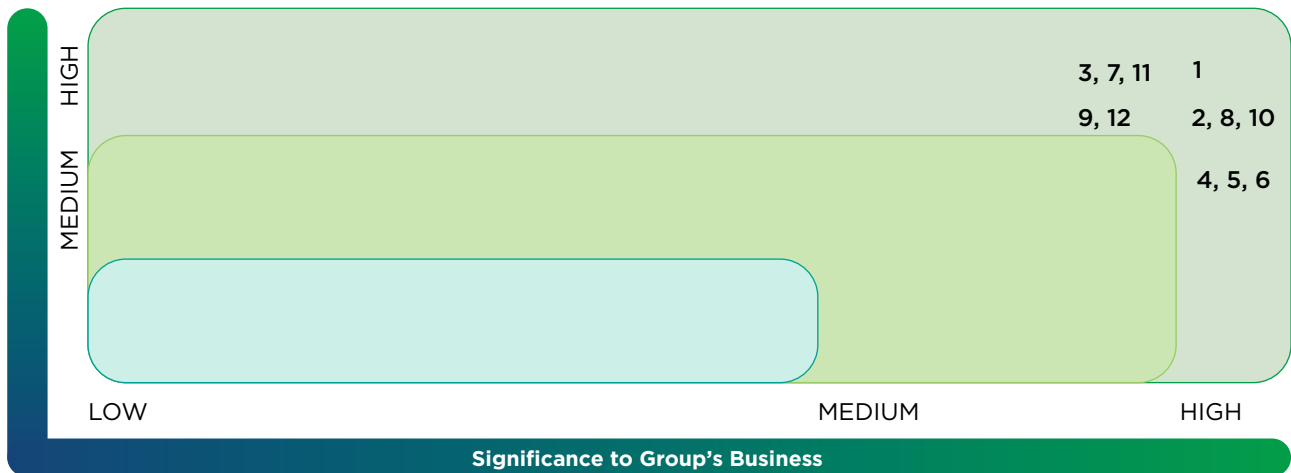


GOVERNANCE

11. Governance
12. Product Quality and Operational Efficiency

Sustainability Statement

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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 mandated discharge parameters. 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:

	FY2026	FY2025
POME produced (MT per MT of FFB processed)	0.63	0.61
Greenhouse gases captured (M3 per MT of FFB processed)	17.52	20.25

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

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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.

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.

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	FY2026 (%)	FY2025 (%)
Used Oil	75.19	64.88
Used containers	12.15	22.89
E-Waste	4.88	2.31
Other scheduled waste	7.78	9.92
Total	100.00	100.00
Total waste generated (MT)	45.26	62.11

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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 oil palm estates and mills and we seek to recover and re-use all waste palm oil 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:

	FY2026 (MT)	FY2025 (MT)
Empty Fruit Bunches	318,004	247,375
Palm Kernel Shells	99,751	96,740
Palm Fibres	225,925	183,544

Methods of re-utilisation of biomass residue includes:



- Mulching biomass residue as 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.

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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 boiler power plant.

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

RAW WATER USED BY MILLING OPERATIONS

Source	FY2026 %	FY2025 %
Raw water obtained from surface water	99	99
Raw water purchased from third parties	1	1
	100	100
Consumption of water (m ³) / per MT of FFB processed	1.3	1.2

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.

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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.

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.

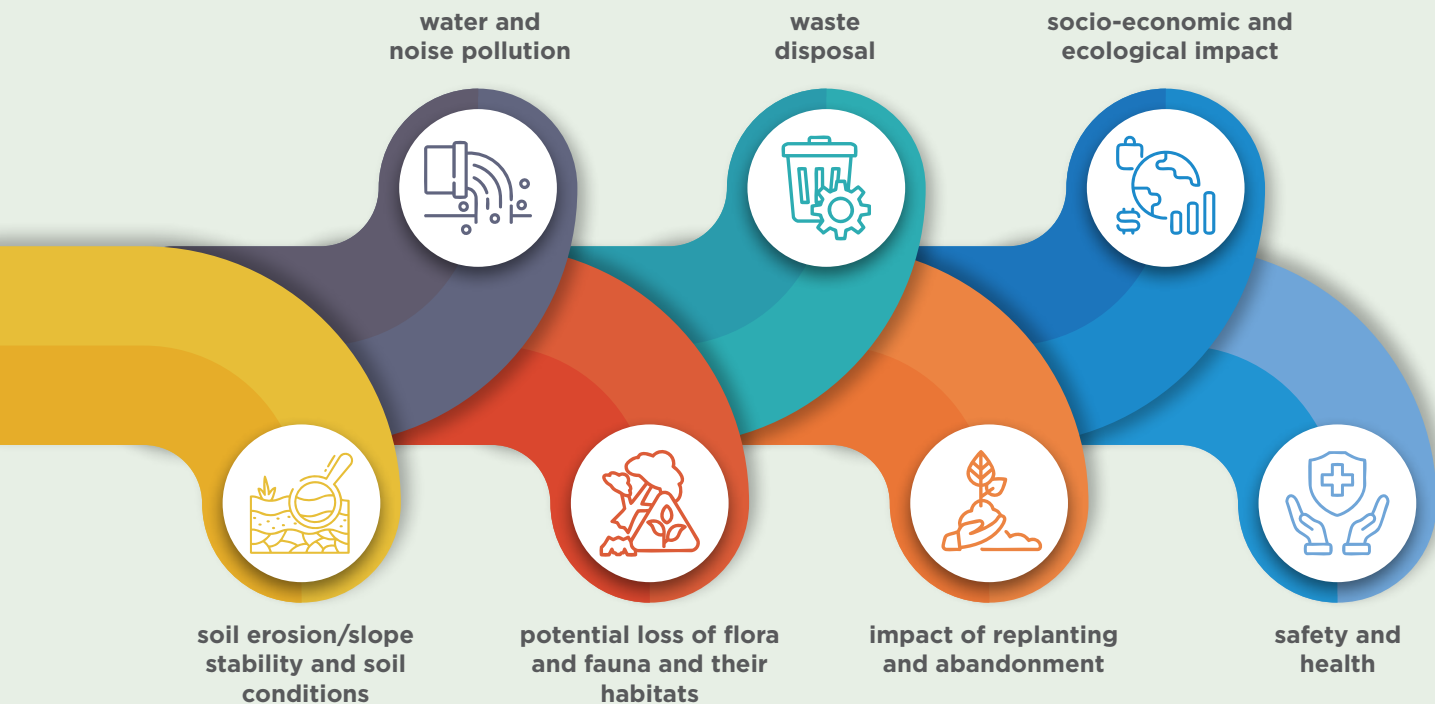


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Environmental Impact Assessments

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 include:



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.

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Soil Protection and Preparation During Replanting

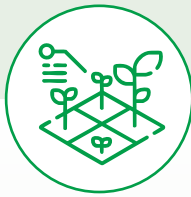
Palms are replanted in a cycle of every 20-25 years. During this replanting phase the old palms need to be removed, the ground prepared and the new palms replanted. Measures to maintain soil health and protect the soil from erosion, compaction and run off are critical during this time.

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 for access by shareholders and investors.

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(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 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 was 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 drones to check on pest build-up.

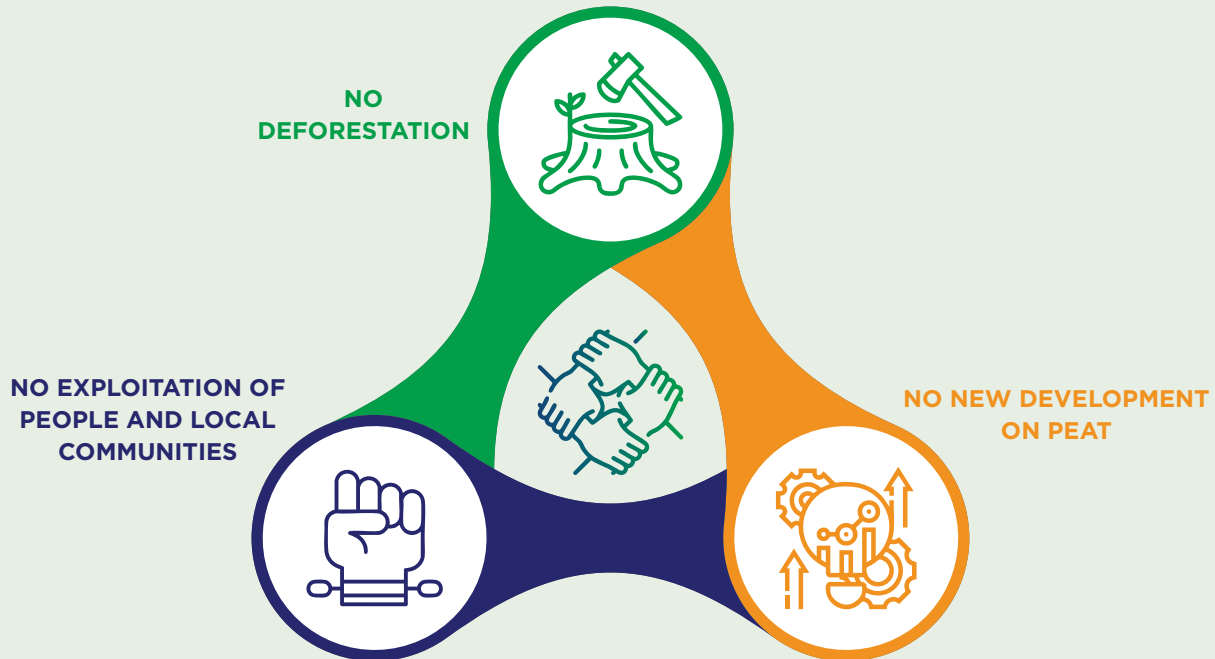


Sustainability Statement

(CONT'D)

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

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

NO NEW DEVELOPMENT ON PEAT

- Any new development will have to undergo HCV and HCS assessments in line with the National and State Agricultural Land Use Policy.
- 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.
- 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:

- Upholding human rights.
- Providing safe and healthy workplace.
- Enhancing employee welfare and promoting career development.
- Respecting and upholding land rights.
- 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 (CO₂) and a smaller amount of methane (CH₄) and nitrous oxide (N₂O). 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 gas-capturing 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.

The details of energy generated/purchased and consumption by the Group are as follows:

	FY2026 (MWh)	FY2025 (MWh)
Total renewable energy generated	90,348	81,084
Less: supplied to grids	(28,784)	(24,618)
Renewable energy consumed	61,564	56,466
Non-renewable energy generated and purchased	3,586	3,793
Total energy consumption	65,150	60,259

GHG EMISSIONS (tCO₂e)

	Scope 1 Direct emission e.g., Land use change, process emission, fertilizer, mobile and stationery combustion, refrigerant use, pesticide/herbicides and fire extinguisher agents	Scope 2 Purchased Electricity	Scope 3 Employee Commuting & Business Travel	Biogenic Emissions (bio fuel combustion and organic fertilizer)
FY2026				
Plantation	154,236.82	619.77	123.87	280.99
Milling	44,686.96	617.22	390.41	384,696.76
Others- Head Office	63.24	30.43	56.09	-
TOTAL	198,987.02	1,267.42	570.37	384,977.75
FY2025				
Plantation	147,783.95*	586.09	160.25*	23.06
Milling	42,725.62	412.69	308.89	421,365.25
Others- Head Office	68.92	26.84	75.80	-
TOTAL	190,578.49*	1,025.62	544.94*	421,388.31

GHG emissions data for FY2025 will serve as the baseline for comparison in the coming years, and we anticipate providing a three-year comparison by FY2027.

* Comparative figures are restated to be consistent with current year’s computation.

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)



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

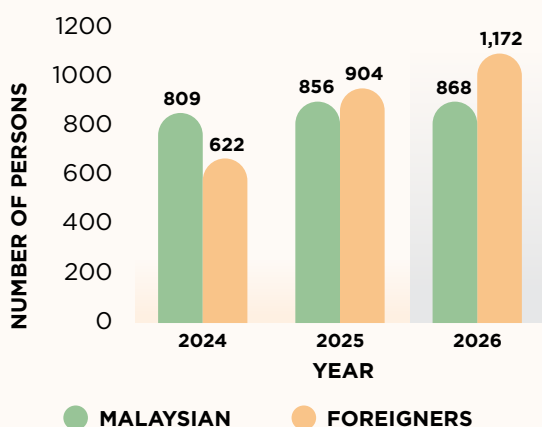
We have invested heavily to better our employees' welfare by providing improved employee housing, free/subsidised electricity and water supplies to estates and mills housing; and free education for our employees' children residing in plantations and mills. Facing the challenges brought about by severe 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.

Sustainability Statement

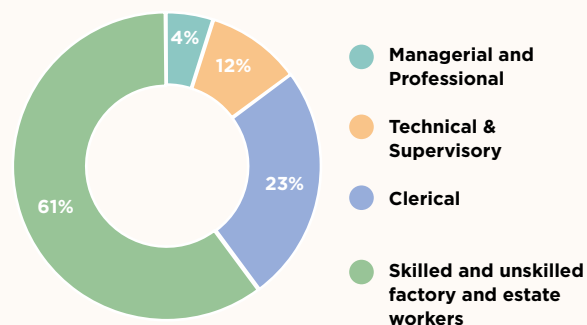
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OUR EMPLOYEES PROFILE

NATIONALITY (NUMBER OF PERSON)



EMPLOYMENT CATEGORIES 2026



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 remunerated in compliance with legal requirements 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.

Sustainability Statement

(CONT'D)

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.

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 or Community Learning Centre (based on Indonesia School Syllabus).

Sustainability Statement

(CONT'D)

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

	FY2026	FY2025
Government primary and secondary schools	254	253
Humana Schools and Community Learning Centre	317	132
Total number of school-going children	571	385

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.

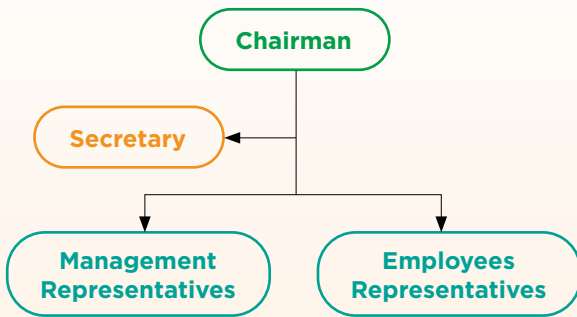
9. SAFETY AND HEALTH AT WORKPLACE

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 Responsibilities:

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

SHC 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.

	FY2026	FY2025
No. of fatality	0	0
Fatality Rate (per 1,000 Employees)	0	0
Accident Rate (per 1,000 Employees)	38.08	11.24
Frequency Rate (per million hours worked)	14.68	6.18

Sustainability Statement

(CONT'D)

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 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.

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.

Sustainability Statement

(CONT'D)

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 trainings at site are carried out by our staff and management on Safe Operating Procedures. Reminders and briefings 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)	FY2026	FY2025*
Man-days	417	395
Average man-day per staff	0.96	0.87

Note:

* FY2025 figure has been restated due to change of unit measurement.

Sustainability Statement

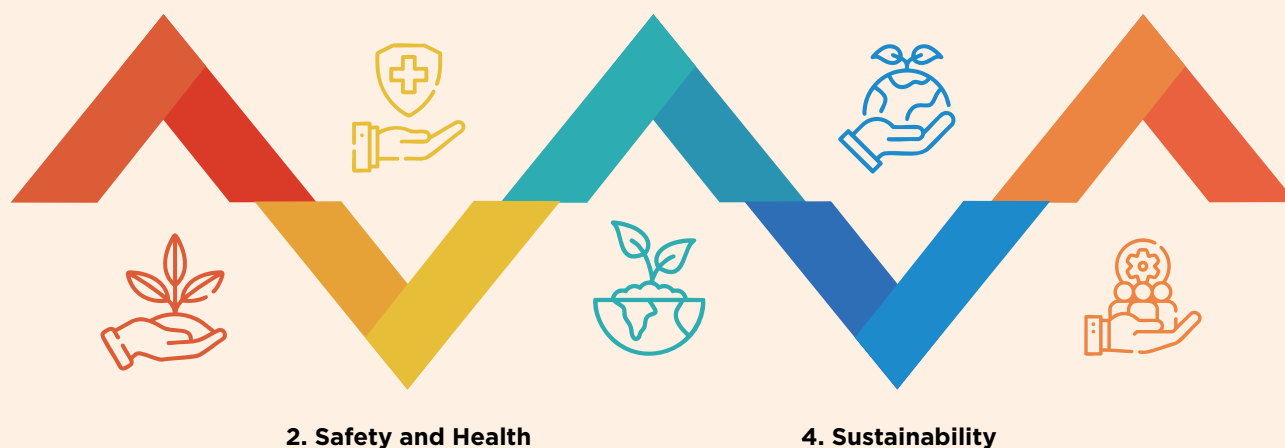
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Our employees are trained in various fields of expertise, including:

1. Best Agricultural and Management Practice

3. Environment

5. Human Capital



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

Sustainability Statement

(CONT'D)

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 channeled to the orphanage and a development fund set up by AI-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 2,800 Ha as at 31 January 2026 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 RM132,385 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 95 to 118.


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 respond 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
<p>Anti-Bribery and Anti-Corruption Policy</p> 	<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>
<p>Whistleblowing Policy</p> 	<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 FY2026.</p>
<p>Conflict of Interest Policy</p> 	<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 prioritised ethical conduct and fosters trust among stakeholders.</p>
<p>Occupational Safety and Health Policy (OSH Policy)</p> 	<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 FY2026.</p>

Sustainability Statement

(CONT'D)

Policies	Purpose
<p>Data Protection and Privacy Policy</p> 	<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 FY2026.</p>
<p>Directors' Fit and Proper Policy</p> 	<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>
<p>Employee Handbook</p> 	<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>

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 2026, no sexual harassment or related cases was reported in the Group.

Sustainability Statement

(CONT'D)

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.

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 30 to 41 we further discuss our operational performance, efforts and significant achievements during the year.

The Group is committed to providing 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.

Sustainability Statement

(CONT'D)

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.

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



Sustainability Statement

(CONT'D)

PARTNERING FOR NATURE-, INCLUSIVE- & CLIMATE-POSITIVE PALM OIL

KLRB Group's collaboration with Wild Asia spans more than a decade, evolving from early smallholder inclusion initiatives into today's SPIRAL partnership focused on delivering nature-positive, inclusive and net-zero-aligned palm oil in Malaysia.

Together, we are:

- tightening farm-to-mill traceability across three mills,
- deploying third-party carbon accounting and state-of-the-art methodologies, and
- scaling yield-enhancing regenerative practices on both estate and smallholder lands.

Over the past three years, investments have increased in both on-the-ground pilots and digital reporting systems. In FY2026, KLRB Group secured innovative co-funding through SPIRAL partners, expanded farm-to-mill reporting via Wild Asia's digital ecosystem (e.g., WAGSAPP). We continued to deepen our technical collaborations with:

- biodiversity research partners (e.g. University of the Sunshine Coast, Australia);
- carbon specialists (CarbonSpace, Ireland and LCA2.0, Denmark), and
- global traders (e.g. Mitsui & Co. Ltd., Japan) to build a low-risk palm oil value-chain for the global markets.

In parallel, the social pillar has been strengthened through MoUs with specialist NGOs (e.g., The Centre - Child Rights and Business) focused on workers' rights, child protection and grievance mechanisms. This enables KLRB Group to enhance the integration of a number of important social management tools:

- case-management and referral protocols,
- improving worker-voice channels,
- supervisor training, and
- periodic social reviews.

As a result, KLRB Group is now well positioned to embed inclusion, biodiversity and climate action into a single, coherent operating model. This strengthens EUDR readiness, supply security and market access (reducing carbon footprint of palm oil, enhancing data at the Mill to enable TNFD /TCFD disclosures for our buyers).

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 15 May 2026.

Sustainability Statement

(CONT'D)

ESG PERFORMANCE DATA

Indicators	Measurement Unit	2024	2025	2026
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-executive/Technical Staff	Percentage	100.00	100.00	100.00
General Workers	Percentage	95.00	90.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	86,000.00	346,055.00	132,384.73
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	800	1,000	139
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age				
Management Under 30	Percentage	0.00	6.00	2.00
Management Between 30-50	Percentage	57.00	44.00	68.00
Management Above 50	Percentage	43.00	50.00	30.00
Executive Under 30	Percentage	5.00	10.00	8.00
Executive Between 30-50	Percentage	60.00	65.00	69.00
Executive Above 50	Percentage	35.00	25.00	23.00
Non-executive/Technical Staff Under 30	Percentage	15.00	20.00	19.00
Non-executive/Technical Staff Between 30-50	Percentage	60.00	55.00	61.00
Non-executive/Technical Staff Above 50	Percentage	25.00	25.00	20.00
General Workers Under 30	Percentage	35.00	40.00	34.00
General Workers Between 30-50	Percentage	55.00	55.00	54.00
General Workers Above 50	Percentage	10.00	5.00	12.00
Gender				
Management Male	Percentage	91.00	92.00	82.00
Management Female	Percentage	9.00	8.00	18.00
Executive Male	Percentage	57.00	55.00	55.00
Executive Female	Percentage	43.00	45.00	45.00
Non-executive/Technical Staff Male	Percentage	56.00	60.00	75.00
Non-executive/Technical Staff Female	Percentage	44.00	40.00	25.00
General Workers Male	Percentage	82.00	85.00	81.00
General Workers Female	Percentage	18.00	15.00	19.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	78.00	78.00	78.00
Female	Percentage	22.00	22.00	22.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	22.00	22.00	22.00
Above 50	Percentage	78.00	78.00	78.00

Internal assurance

External assurance

No assurance

(*)Restated

KIM LOONG RESOURCES BERHAD

Sustainability Statement

(CONT'D)

Indicators	Measurement Unit	2024	2025	2026
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt-hour	58,708.00*	60,259.00*	65,150.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate	Rate	2.40	6.10	3.39
Bursa C5(c) Number of employees trained on health and safety standards	Number	161	257	163
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	266	650	998
Executive	Hours	298	560	1,026
Non-executive/Technical Staff	Hours	518	1,572	1,303
General Workers	Hours	1,014	2,298	1,979
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	33.00	30.00	18.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	0	10	4
Executive	Number	22	3	4
Non-executive/Technical Staff	Number	33	40	16
General Workers	Number	275	381	282
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95.00	95.00	99.99
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	1,471.000000	1,839.000000	2,252.000000
Bursa (Waste management)				
Bursa C10(a) Total waste generated, and a breakdown of the following:	Metric tonnes	-	527,720.74*	726,275.04
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	527,658.63	725,868.77
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	62.11	406.27
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	-	190,578.49*	198,987.02
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	-	1,025.62	1,267.42
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	tCO ₂ e	-	544.94*	570.37

Internal assurance

External assurance

No assurance

(*)Restated

Note

All indicators have been subjected to an internal assurance process.

* Comparative figures are restated to be consistent with current year's computation.

Sustainability Statement

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Main Market | Group 1 | FYE 31/01/2026

KIM LOONG RESOURCES BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category -Management	Percentage	100	100	-	Internal
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category -Executive	Percentage	100	100	-	Internal
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category -Non-Executive/ Technical Staff	Percentage	100	100	-	Internal
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	90	100	-	Internal
Anti-corruption	Percentage of operations assessed for corruption-related risks	Percentage	100	100	-	Internal
Anti-corruption	Confirmed incidents of corruption and action taken	Number of confirmed incidents	0	0	-	Internal
Community/ Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM ("Ringgit Malaysia")	346,055	132,385	-	Internal
Community/ Society	Total number of beneficiaries of the investment in communities	Number of beneficiaries	1,000	139	-	Internal

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Main Market | Group 1 | FYE 31/01/2026

KIM LOONG RESOURCES BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category -Management Under 30	Percentage	6	2	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Management Between 30-50	Percentage	44	68	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Management Above 50	Percentage	50	30	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Executive Under 30	Percentage	10	8	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Executive Between 30-50	Percentage	65	69	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Executive Above 50	Percentage	25	23	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Non-Executive/ Technical Staff Under 30	Percentage	20	19	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Non-Executive/ Technical Staff Between 30-50	Percentage	55	61	-	Internal

Sustainability Statement

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Main Market | Group 1 | FYE 31/01/2026

KIM LOONG RESOURCES BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category -Non-Executive/Technical Staff Above 50	Percentage	25	20	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -General Worker Under 30	Percentage	40	34	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -General Worker Between 30-50	Percentage	55	54	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -General Worker Above 50	Percentage	5	12	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category - Management Male	Percentage	92	82	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category - Management Female	Percentage	8	18	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Executive Male	Percentage	55	55	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Executive Female	Percentage	45	45	-	Internal

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Main Market | Group 1 | FYE 31/01/2026

KIM LOONG RESOURCES BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category -Non-Executive/ Technical Staff Male	Percentage	60	75	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Non-Executive/ Technical Staff Female	Percentage	40	25	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -General Worker Male	Percentage	85	81	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -General Worker Female	Percentage	15	19	-	Internal
Diversity	Percentage of directors by gender and age group - Male	Percentage	78	78	-	Internal
Diversity	Percentage of directors by gender and age group - Female	Percentage	22	22	-	Internal
Diversity	Percentage of directors by gender and age group - Under 30	Percentage	0	0	-	Internal
Diversity	Percentage of directors by gender and age group - Between 30-50	Percentage	22	22	-	Internal
Diversity	Percentage of directors by gender and age group - Above 50	Percentage	78	78	-	Internal

Sustainability Statement

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Main Market | Group 1 | FYE 31/01/2026

KIM LOONG RESOURCES BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Energy management	Total energy consumption	MWh ("Megawatt-hour")	60,259	65,150	-	Internal
Health and safety	Number of work-related fatalities	Number of fatalities	0	0	-	Internal
Health and safety	Lost time incident rate	Rate	610	3.39	-	Internal
Health and safety	Number of employees trained on health and safety standards	Number of employees	257	163	-	Internal
Labour practices and standards	Total hours of training by employee category - Management	Number of training hours	650	998	-	Internal
Labour practices and standards	Total hours of training by employee category - Executive	Number of training hours	560	1,026	-	Internal
Labour practices and standards	Total hours of training by employee category - Non-Executive/Technical Staff	Number of training hours	1,572	1,303	-	Internal
Labour practices and standards	Total hours of training by employee category - General Workers	Number of training hours	2,298	1,979	-	Internal
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	30	18	-	Internal
Labour practices and standards	Total number of employee turnover by employee category - Management	Number of employee turnover	10	4	-	Internal
Labour practices and standards	Total number of employee turnover by employee category - Executive	Number of employee turnover	3	4	-	Internal

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Main Market | Group 1 | FYE 31/01/2026

KIM LOONG RESOURCES BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	Total number of employee turnover by employee category - Non-Executive/Technical Staff	Number of employee turnover	40	16	-	Internal
Labour practices and standards	Total number of employee turnover by employee category - General Worker	Number of employee turnover	381	282	-	Internal
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number of substantiated-complaints	0	0	-	Internal
Supply chain management	Proportion of spending on local suppliers	Percentage	95	99	-	Internal
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number of substantiated complaints	0	0	-	Internal
Water	Total volume of water used	Megalitres	1,839	2,252	-	Internal
Waste management	Total waste generated	Metric tonnes	527,721	726,275	-	Internal
Waste management	Total waste diverted from disposal	Metric tonnes	527,659	725,869	-	Internal
Waste management	Total waste directed to disposal	Metric tonnes	62	406	-	Internal
Emissions management	Scope 1 emissions in tonnes of CO2e	Metric tonnes	190,578	198,987	-	Internal
Emissions management	Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,026	1,267	-	Internal
Emissions management	Scope 3 emissions in tonnes of CO2e	Metric tonnes	545	570	-	Internal

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KIM LOONG RESOURCES BHD

IFRS S2

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Main Market | Group 1 | FYE 31/01/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	190,578	198,987	-	Internal
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	1,026	1,267	-	Internal
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	57	29	-	Internal
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	488	541	-	Internal



GOVERNANCE

- 095** Corporate Governance Overview Statement
- 119** Statement on Directors' Responsibilities
- 120** Additional Compliance Information
- 122** Statement on Risk Management & Internal Control
- 136** Report of the Audit Committee
- 142** Report of the Remuneration Committee
- 143** Report of the Nominating Committee

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KIM LOONG RESOURCES BERHAD

Corporate Governance Overview Statement

The Board is committed to maintaining effective corporate governance throughout Kim Loong Resources Berhad (“Kim Loong” or the “Company”) and its subsidiary companies (collectively the “Group”). The Board believes that robust governance practices are essential in safeguarding shareholder value and strengthening investor confidence.

These principles guide the Board’s oversight of the Group’s operational performance and strategic initiatives, with ethical conduct and sustainable development remaining at the core of the Group’s objectives.

To discharge its responsibilities effectively, the Board is guided by a comprehensive Governance and Integrity Framework designed to meet the evolving needs of the Company while aligning with leading industry standards and best practices. This framework supports full compliance with the Malaysian Code on Corporate Governance 2021, the Main Market Listing Requirements of Bursa Malaysia, the Corporate Governance Guide issued by Bursa Malaysia, as well as the Companies Act 2016.

In line with the Guidelines on Adequate Procedures for Corporate Liability, the Company’s places strong emphasis on transparency, ethical decision-making and accountability at every level of the organisation. The governance practices of the Group are subject to periodic reviews to ensure they remain relevant, effective, and aligned with market expectations and stakeholder needs.

This statement of Corporate Governance Overview (the “Statement”) provides an overview of Kim Loong corporate governance practices and highlights the key initiatives undertaken during the financial year ended 31 January 2026 (“FY2026”).

This Statement is to be read together with the Corporate Governance Report 2026 of the Company (“CG Report”) which is available on the Company’s website: www.kimloong.com.my. The explanation for departure is further disclosed in the CG Report.

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

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graph TD
    SH[SHAREHOLDERS] --- BOB[BOARD OF DIRECTORS]
    SH --- R[Regulators]
    BOB --- CS[Company Secretary]
    BOB --- RC[Remuneration Committee]
    BOB --- AC[Audit Committee]
    BOB --- NC[Nominating Committee]
    BOB --- ESOS[ESOS Committee]
    BOB --- RMSC[Risk Management and Sustainability Committee]
    AC --- EA[External Auditors]
    AC --- IA[Internal Auditors]
    IA --- OIA[Outsourced Internal Audit]
    IA --- AGD[Assurance & Governance Dept.]
  
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Corporate Governance Overview Statement

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SUSTAINABILITY GOVERNANCE

Sustainability is a core priority for Kim Loong, supported by the strong commitment of the Board as custodians of the Group's long-term vision and sustainable value creation. The Board provides strategic leadership and oversight on sustainability matters, ensuring that environmental, social and governance ("ESG") considerations are embedded into the Group's strategy, risk management and decision-making processes.

To support the Board in the execution, oversight, evaluation and continuous refinement of the Group's sustainability policies and initiatives, specific responsibilities have been delegated to the Risk Management and Sustainability Committee ("RMSC").

The Managing Director, supported by the RMSC, is responsible for implementing the strategic sustainability direction set by the Board. The RMSC monitors the progress of sustainability implementation and reports to the Board on the Group's sustainability performance and contributes to the preparation of the Sustainability Statement.

The Sustainability Statement is outlined on pages 42 to 93 of this Report.

The Board is pleased to provide an overview of the Group's CG practices throughout FY2026. These CG practices take into consideration 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 FY2026.

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 principle 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 corporate behaviours.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1.1 Roles of the Board (cont'd)

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 are actively engaged to ensure that the Group is in adherence with good CG.

1.2 Board Corporate Governance Manual

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

The Board CG Manual sets out the role, functions, composition, operation and processes of the Board to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board CG Manual also serves as 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
- Roles, Responsibilities and Power of the Board, Individual Directors, Chairman and Managing Director
- Roles of Board Committees
- Roles of Company Secretary
- Board and General Meetings
- Corporate Disclosure Policy
- Whistle-blowing Policy
- Code of Ethics and Conduct
- Corporate Integrity Policy - Anti Fraud Policy
- Risk Management Policy
- Investor Relations Policy

This Board CG Manual will be 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.

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)

ROLE OF THE BOARD

The Board holds ultimate responsibility for overseeing the Group's business operations, with its powers and duties set out in the Board Charter. These responsibilities include, but are not limited to, the following:

1. Reviewing and adopting strategic plans for the Group.
2. Overseeing the conduct of the Company's business to support proper management. Key operational matters are deliberated during Board meetings, with expert or independent advice sought where appropriate.
3. Identifying principal risks and overseeing the implementation of suitable risk management systems.
4. Implementing succession planning, including the appointment and recruitment of Senior Management team members.
5. Developing and implementing an investor relations or shareholders' communication policy.
6. Reviewing the adequacy and integrity of internal control and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines.
7. Developing and implementing a Sustainability Framework for the Group.

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"> • Ensures that the Board functions effectively, cohesively and independently of Management • Promotes the highest standards of corporate governance • Leads the Board, including presiding over Board meetings and Company meetings and direct Board discussions to effectively use the time available to address the critical issues facing the Company • Promotes constructive and respectful relationship among Board members and between Board members and Management • Ensures that there is effective communication between the Company and/or Group and its shareholders and relevant stakeholders 	<ul style="list-style-type: none"> • Develops the strategic direction of the Group • Ensures that the Company and/or the Group's business is properly and efficiently managed by ensuring that the executive team implements the policies and strategies adopted by the Board and its Committees • Ensures that the objectives and standards of performance are understood by the Management and employees • Ensures that the operational planning and control systems are in place • Monitors performance results against plans • Takes remedial action, where necessary

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)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR	EXECUTIVE DIRECTORS
<ul style="list-style-type: none"> Acts as a sounding board for the Chairman and Executive Directors Acts as a conduit for the views of other Non-Executive Directors Conducts the Chairman's annual performance appraisal Helps to resolve shareholders' concerns 	<ul style="list-style-type: none"> Under the leadership of the Group Managing Director, make and implement decisions in all matters affecting the operations, performance and strategy of the Group's business Provide specialist knowledge and experience to the Board Chart the overall business direction of the Group Design, develop and implements strategic plans Deal with day-to-day operations of the Group
INDEPENDENT NON-EXECUTIVE DIRECTORS	COMPANY SECRETARIES
<ul style="list-style-type: none"> Challenge constructively Actively participate in Board decision making Scrutinise management performance Satisfy themselves on the integrity of financial information Provide independent judgement, experience and objectivity 	<ul style="list-style-type: none"> Advise the Board Ensure accurate and timely information and required support are provided to Directors Organise Directors' induction and training Communicate with shareholders as appropriate and ensure due regard is paid to their interests

Office of Executive Chairman

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

The Code recommends that the Board comprises a majority of 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 Roles 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.

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)

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.

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.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1.5 Access to Information and Advice

The Executive Chairman and the Managing Director have the 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.

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.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION

2.1 Board Composition

The Board composition is in compliance with Paragraph 15.02(1)(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 14 to 18 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.

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 is 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.

i. 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.

ii. 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.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

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 2026, the diversity of the Directors is as follows:

Number of Director									
7									
Gender									
	<table border="1"> <thead> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">6</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Male	Female	6	1				
Male	Female								
6	1								
Nationality									
	<table border="1"> <thead> <tr> <th>Malaysian</th> <th>Foreigners (Non-Malaysian)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">7</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>	Malaysian	Foreigners (Non-Malaysian)	7	0				
Malaysian	Foreigners (Non-Malaysian)								
7	0								
Age Group (Years)									
	<table border="1"> <thead> <tr> <th>Below 50</th> <th>51-60</th> <th>61-70</th> <th>Above 70</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">4</td> </tr> </tbody> </table>	Below 50	51-60	61-70	Above 70	0	2	1	4
Below 50	51-60	61-70	Above 70						
0	2	1	4						

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	5/5	100
Gooi Seong Chneh	Executive Director	4/5	80
Gooi Seong Gum	Executive Director	4/5	80
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.

As at the end of the financial year ended 31 January 2026, the Board comprised seven (7) members of which three (3) are Independent Non-Executive Directors and four (4) Executive Directors.

BOARD PERFORMANCE

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

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 with the overall performance of the Directors, each of the Directors has the professionalism, competence, experience, time commitment, integrity and character to effectively discharge their role as a Director.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

2.5 Overall Board Effectiveness (cont'd)

In respect of financial year 2026, the assessment on the performance of Directors were deliberated at the meetings of the Nominating Committee and the Board. Based on the outcome of the deliberation and evaluation, the Nominating Committee and the Board are satisfied that the present structure and composition of the Board and the Board Committees are appropriate and meet the guidelines of Bursa Malaysia Securities Berhad and that no major changes are required.

The Nominating Committee is also satisfied with the performance of the Audit Committee and each of Audit Committee members who has carried out his/her duties in accordance with the Terms of Reference of the Audit Committee.

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

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.

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

DATE	TITLE	PARTICIPANTS
21-FEB-25	Malaysian Regulatory Landscape Updates / National Sustainability Reporting Framework (NSRF) by Deloitte	Gooi Seong Lim Gooi Seong Heen Gooi Seong Chneh Gooi Seong Gum Soh Ban Ting Yong Chung Sin Dr. Chee Yau Kuan @ Chia Yan Kuan Gooi Chuen Kang Gooi Tsih Ern

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)

DATE	TITLE	PARTICIPANTS
27-FEB-25	Carbon Footprint and GHG Calculation by Deloitte	Gooi Seong Lim Gooi Seong Heen Gooi Seong Chneh Gooi Seong Gum Soh Ban Ting
19-JUN-25	Updates on the Sabah and Sarawak Labour Ordinance	Gooi Seong Lim Gooi Seong Heen Gooi Seong Chneh Gooi Seong Gum Soh Ban Ting Yong Chung Sin Dr. Chee Yau Kuan @ Chia Yan Kuan Gooi Chuen Kang Gooi Tsih Ern
21-AUG-25	Indirect Tax & e-Invoicing Training by Deloitte	Gooi Seong Lim Gooi Seong Heen Gooi Seong Chneh Gooi Seong Gum
5-JAN-26	Ethical Value: The Foundation of Integrity & Governance by Dr. Muhammad Mohan of Oasis Revenue	Gooi Seong Lim Gooi Seong Heen Gooi Seong Chneh Gooi Seong Gum Soh Ban Ting Yong Chung Sin Dr. Chee Yau Kuan @ Chia Yan Kuan Gooi Chuen Howe Gooi Tsih Ern

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).

The Board periodically reviews the Committees' Terms of Reference.

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)

a. Audit Committee

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

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

In line with good corporate governance practices, none of the Executive Directors are members of the Audit Committee. The Terms of Reference of the Audit Committee are available on the Company's website at www.kimloong.com.my and the Report of the Audit Committee is disclosed on pages 136 to 141 of this Annual Report. The works of the Audit Committee during the financial year ended 31 January 2026 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. None of the Executive Directors participated in any way in determining their individual remuneration.

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

The Terms of Reference of the Remuneration Committee is available on the Company's website at www.kimloong.com.my and the Report of the Remuneration Committee is on page 142 of this Annual Report.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

2.7 Board Committees (cont'd)

c. Nominating Committee

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

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) 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 and the Report of the Nominating Committee is on pages 143 to 144 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.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

3.1 Remuneration Policy (cont'd)

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.

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 2026 amounted to RM12,150,075 and RM9,039,886 respectively.

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

**Group
Aggregate
Remuneration**

	Directors' Fees	Basic Salary	Bonus	Benefit- in-kind	Share options granted under ESOS	Other Emoluments	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
Executive Directors							
Gooi Seong Lim	89,500	901,200	1,329,900	28,000	267,813	15,957	2,632,370
Gooi Seong Heen	89,500	1,006,800	1,541,100	15,800	267,813	143,484	3,064,497
Gooi Seong Chneh	89,500	901,200	1,329,900	-	267,813	439,366	3,027,779
Gooi Seong Gum	83,500	901,200	1,329,900	9,900	267,813	439,366	3,031,679
Independent Non- Executive Directors							
Yong Chung Sin	126,250	-	-	-	-	2,500	128,750
Soh Ban Ting	133,750	-	-	-	-	2,500	136,250
Dr. Chee Yau Kuan @ Chia Yan Kuan	126,250	-	-	-	-	2,500	128,750
TOTAL	738,250	3,710,400	5,530,800	53,700	1,071,252	1,045,673	12,150,075

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

3.1 Remuneration Policy (cont'd)

Company Aggregate Remuneration	Directors' Fees	Basic Salary	Bonus	Benefit- in-kind	Share options granted under ESOS	Other Emoluments	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
	Executive Directors						
Gooi Seong Lim	-	541,200	1,082,400	28,000	267,813	3,393	1,922,806
Gooi Seong Heen	-	646,800	1,293,600	14,317	267,813	85,320	2,307,850
Gooi Seong Chneh	-	541,200	1,082,400	-	267,813	311,377	2,202,790
Gooi Seong Gum	-	541,200	1,082,400	9,900	267,813	311,377	2,212,690
Independent Non-Executive Directors							
Yong Chung Sin	126,250	-	-	-	-	2,500	128,750
Soh Ban Ting	133,750	-	-	-	-	2,500	136,250
Dr. Chee Yau Kuan @ Chia Yan Kuan	126,250	-	-	-	-	2,500	128,750
TOTAL	386,250	2,270,400	4,540,800	52,217	1,071,252	718,967	9,039,886

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 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.

Corporate Governance Overview Statement

(CONT'D)

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 key outcomes 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 from time to time. 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 relevant regulatory requirements, and
- 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.

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.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

4.2 External Auditors (cont'd)

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 2026, 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 2026, 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 122 to 135 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.

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 the 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.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

5.1 Strengthening Integrity and Ethics (cont'd)

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.

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 the Group's activities, Board Charter, financial results, announcements released to Bursa Securities, annual reports and company profile, corporate presentations and other information on the Company and can be found on the Company's website at www.kimloong.com.my to further enhance investors and shareholders communication.

c) Insider Trading

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

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)

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.

e) Annual General Meeting ("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.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

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 appoints 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. 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.

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 15 May 2026.



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 2026, 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 2026 are set out on pages 145 to 231. The preparation thereof was supervised by the Finance Director and approved by the Board of Directors on 15 May 2026.

This Statement has been reviewed and approved by the Board of Directors on 15 May 2026.

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 2026 were as follows:

Group (RM)	Company (RM)
544,000	95,000

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 2026 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 ended 31 January 2026 or entered into since the end of the previous financial year except for the following:

The Company, as the Purchaser, had on 22 December 2025 entered into a Share Sale Agreement with Kim Loong Plantations Sdn. Bhd. ("KLP"), a related party, as the Vendor, for the acquisition of 3,750,000 ordinary shares representing 75% equity interest in Kim Loong (Mills) Sarawak Sdn. Bhd. at the purchase price of RM10,000,000.00 in cash ("the Acquisition").

KLP is a wholly-owned subsidiary of Sharikat Kim Loong Sendirian Berhad ("SKL").

SKL is a major shareholder and the holding company of the Company.

Wilgain Prosperity Sdn. Bhd. ("WPSB"), Eternal Profits Worldwide Sdn. Bhd. ("EPW"), Ascendant Capital Sdn. Bhd. ("ACSB") and SG Gooi Holdings Sdn. Bhd. ("SGGH") are major shareholders of the Company by virtue of their interests in SKL.

Gooi Seong Lim ("GSL"), the Executive Chairman and a major shareholder of the Company, is a director of KLP, SKL and WPSB, and a substantial shareholder of WPSB.

Gooi Seong Heen ("GSH"), the Managing Director and a major shareholder of the Company, is a director of KLP, SKL and EPW, and a substantial shareholder of EPW.

Gooi Seong Chneh ("GSC"), an Executive Director and a major shareholder of the Company, is a director of KLP, SKL and ACSB, and a substantial shareholder of ACSB.

Gooi Seong Gum ("GSG"), an Executive Director and a major shareholder of the Company, is a director of KLP, SKL and SGGH, and a substantial shareholder of SGGH.

Gooi Tsih Ern ("GTE") is an Alternate Director to GSL of the Company and a director of WPSB.

Gooi Chuen Kang ("GCK") is an Alternate Director to GSH of the Company and a director of EPW.

Further details on the Acquisition are set out in the announcement made by the Company on 22 December 2025.

Additional Compliance Information

(CONT'D)

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 2026 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 SKL.</p> <p>SKL is a major shareholder and the holding company of the Company.</p> <p>WPSB, EPW, ACSB and SGGH are major shareholders of the Company by virtue of their interests in SKL.</p> <p>GSL, the Executive Chairman and a major shareholder of the Company, is a director of KLP, SKL and WPSB, and a substantial shareholder of WPSB.</p> <p>GSH, the Managing Director and a major shareholder of the Company, is a director of KLP, SKL and EPW, and a substantial shareholder of EPW.</p> <p>GSC, an Executive Director and a major shareholder of the Company, is a director of KLP, SKL and ACSB, and a substantial shareholder of ACSB.</p> <p>GSG, an Executive Director and a major shareholder of the Company, is a director of KLP, SKL and SGGH, and a substantial shareholder of SGGH.</p> <p>GTE is an Alternate Director to GSL of the Company and a director of WPSB.</p> <p>GCK is an Alternate Director to GSH of the Company and a director of EPW.</p>	23,299

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 dated 15 May 2026.

Statement on Risk Management & Internal Control

INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control, pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia and the CG Code, guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (“SORMIC Guide 2025”). Essentially, this Statement outlines the nature and key components of the Group’s risk management and internal controls, as well as how these are embedded within the Group’s business operations to support the achievement of its strategic objectives.

BOARD RESPONSIBILITIES & ACKNOWLEDGEMENT

The Board of the Company in discharging its responsibilities, is fully committed to implementing an effective risk management and internal control system. The Board is responsible for determining the Group’s risk appetite and identifying, assessing and monitoring key business risks, including sustainability risks and opportunities, in order to safeguard shareholders’ investments and the Group’s assets.

The risk management and internal control systems are specifically designed to manage as opposed to eliminate, risks that may impede the achievement of the Group’s overall business objectives and strategies. However, due to inherent limitations in the risk management and internal control systems, the Board recognises that these systems can only provide reasonable but not absolute assurance against fraud, material misstatement or loss. Nonetheless, all efforts have been taken to provide reasonable assurance that significant risks which impact the Group’s strategies and objectives are within levels appropriate to the Group’s business.

The Board acknowledges its responsibility to review and monitor the adequacy, effectiveness and integrity of the Group’s internal control systems and risk management framework, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. In achieving the above, the Board has delegated these responsibilities to the Risk Management and Sustainability Committee and Audit Committee, to ensure oversight of risk management and internal control systems respectively.

1) Risk Management and Sustainability Committee (RMSC)

The RMSC provides oversight, direction and counsel over the key risk areas of the Group. The RMSC assists the Board to, among others:

- Oversee the establishment and implementation of a risk management framework and assess the effectiveness of risk reporting structure;
- Review the effectiveness of the risk management framework in identifying, assessing and managing risks, including sustainability risks and opportunities;
- Review and recommend risk management strategies and policies for the Board’s approval; and
- Assess significant investments of the Group and recommend appropriate risk response strategies to the Board for approval.

2) Audit Committee (AC)

The AC supports the Board in monitoring the Group’s risk exposures, as well as the design and operating effectiveness of the underlying risk management and internal controls systems.

The AC assists the Board to, among others:

- Review reports of any control issues identified during their audit-related and non-audit related works and discuss with the external auditors on the scope of their respective reviews and findings;
- Fulfil its responsibilities, particularly in the areas relating to the accounting and management controls, and financial reporting of the Group; and
- Periodic reviews of the strengths and weaknesses of the overall internal controls system and action plans to address the risk arising from the identified weaknesses or to improve the assessment process.

Statement on Risk Management & Internal Control (CONT'D)

MANAGEMENT'S RESPONSIBILITIES

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 addressing compliance and control issues
- monitoring the overall achievement of business objectives and strategies

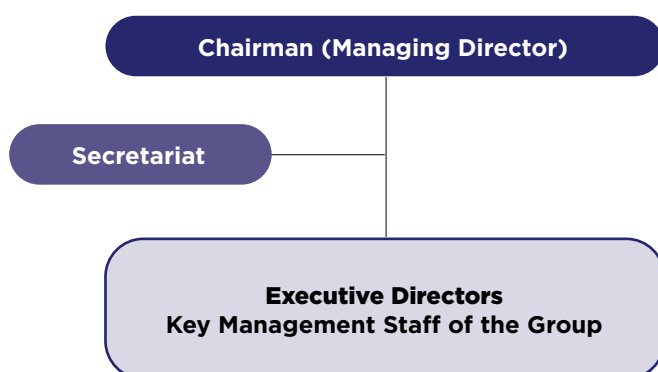
Management is committed to operating a sound system of internal control which will be continuously reviewed, updated and improved upon in line with changes in the operating environment. Key to this is to identify significant threats and opportunities, evaluate the risk profile and drive mitigation strategies 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.

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 the RMSC are tasked with the role to 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 an acceptable 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 may be).

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

Risk Management & Sustainability Committee



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

- Develop Group strategies and policies
- Monitoring sustainable performance

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KIM LOONG RESOURCES BERHAD

Statement on Risk Management & Internal Control (CONT'D)

RISK MANAGEMENT FRAMEWORK (CONT'D)

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

ENTERPRISE RISK MANAGEMENT (“ERM”) FRAMEWORK METHODOLOGY & OBJECTIVES

The primary objective of the ERM framework is to support the achievement of the Group’s strategic objectives, safeguard the Group’s resources, people, finances, property, knowledge and reputation. In realising this primary objective, the ERM framework is designed to:

- Provide a structured and consistent approach in risk identification, assessment, mitigation, monitoring and reporting;
- Assist decision makers in making informed management decisions, taking risk exposures into account, as well as leveraging opportunities;
- Generate risk profiles and reports that will be used to support and substantiate strategic decisions;
- Create an environment where staff are assigned specific roles and assume responsibilities for managing risks they are responsible for as well as carry out mitigation plans as agreed;
- Provide relevant and timely information across clear reporting structures and level of authority; and
- Provide feedback to the Management on the adequacy and effectiveness of controls in place through the conduct of independent audit activities.

Risk Rating Matrix used by the Group.

		IMPACT				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost certain	Low	Low Medium	Medium	Mid High	High
	Likely	Low	Low Medium	Medium	Mid High	High
	Possible	Low	Low Medium	Medium	Mid High	High
	Unlikely	Low	Low Medium	Medium	Mid High	High
	Very unlikely	Low	Low Medium	Medium	Mid High	High

● High
 ● Mid High
 ● Medium
 ● Low Medium
 ● Low

The RMSC conducts annual reviews on the adequacy and effectiveness of the Group’s ERM framework and policies, particularly in relation to the approach for risk identification, assessment, mitigation, monitoring and reporting.

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Statement on Risk Management & Internal Control (CONT'D)

ENTERPRISE RISK MANAGEMENT ("ERM") FRAMEWORK METHODOLOGY & OBJECTIVES (CONT'D)

Inherently, the Group's business activities expose the Group to a variety of risks, including but not limited to operational and financial risks. The Group's overall risk management objective is to ensure that the Group creates and protects value for its stakeholders and is able to link risk mitigation or opportunity enhancement towards achieving the Group's performance targets. The Group operates within an established ERM framework with clearly defined policies and guidelines that are approved by the Board.

THREE-TIER DEFENCE MODEL

Under the Group's Three-Tier Defence model, the Group protects itself from threats with relevant guidelines on risk reporting and disclosure.

1st Line of Defence

Each Head of Business and Supporting Unit is responsible for the ownership and management of their respective risks. They are responsible for managing the risks and maintaining effective internal controls on a day-to-day basis. Each Business and Supporting Unit naturally serves as the 1st Line of Defence because controls are specifically incorporated into their processes and systems to manage risk exposures. In addition, adequate managerial and supervisory controls are put in place to ensure compliance and highlight any deficiencies

2nd Line of Defence

Risk Management & Sustainability Committee (RMSC) is responsible for establishing the ERM framework, a structured and consistent risk management process and approach to be applied systematically across the Group, and to ensure that the ERM framework is operational and embedded throughout the Group. As part of monitoring and reporting processes, the RMSC helps to ensure that risks are being effectively managed by the 1st Line of Defence and adequate risk-related information is reported throughout the Group.

3rd Line of Defence

The Assurance & Governance Department (AGD) provides independent assurance to the Board and Senior Management on the effectiveness of governance, risk management and internal controls, including the manner in which the 1st and 2nd Lines of Defence achieve the Group's objectives.

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

The responsibility for reviewing the adequacy and integrity of the risk management and internal control system has been delegated by the Board to the Audit Committee.

On a periodic basis, the Audit Committee assesses the adequacy and integrity of the risk management and internal control system through independent reviews conducted and reports it received from the Internal Auditors, the External Auditors and Management. Significant risk management and internal control matters (if any) will be brought to the attention of the Audit Committee by the Internal Auditors and the 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 FEATURES 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:

1. CONTROL ENVIRONMENT

i. 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.

ii. Operations Review and Monitoring

Operations of the Group are constantly monitored with up-to-date reports being presented by the Management. 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 Executive Directors, Project Director, Contract Director, General Managers and Deputy General Manager regularly visit the Group's business units. During the visits, the respective head of business unit reports on progress and performance, followed with discussion to resolve the business unit's key operational and management issues, if any.

iii. Organisation 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 authorised to examine matters within their scope and report to the Executive Chairman & Managing Director and Executive Directors with their recommendations.

iv. Human Capital Policy

Comprehensive and rigorous guidelines on the employment, performance appraisal, human capital training and retention initiatives 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 responsibilities effectively.

Emphasis is being placed on enhancing the skills and competency of employees through a process of continuous learning. Employees' competencies are assessed annually through the annual appraisal system. Skill development and training requirements are highlighted to Heads of Departments and business units for approval and implementation.

v. 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 Director and management adopt a "hands on" approach in managing the businesses 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 issue and serve as an effective internal control feature.

Statement on Risk Management & Internal Control (CONT'D)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. CONTROL ENVIRONMENT (CONT'D)

vi. 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.
- Budgetary controls for its projects are set and monitored.
- Training and development programs are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations.

vii. Code of Ethics and Conduct and other related Policies

Among the policies and procedures established and embedded in the CG Manual to assist the Board in maintaining a sound internal control system are:

- The 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, and 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.
- Employee Handbook: The Group has in place the Employee Handbook to set the ethical standards for all employees and directors in their dealings with fellow employees, customers, shareholders, suppliers, authorities and the community.

viii. Anti-Bribery and Anti-Corruption Policy

With the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2007, it has been established that a commercial organisation has a criminal liability ("Corporate Liability") for the corrupt activities of its employees and/or persons associated with the commercial organisation where such corrupt activities are carried out for the commercial organisation's benefits or advantages. In connection to this, the Group adopts a zero-tolerance policy against all forms of bribery and corruption.

Statement on Risk Management & Internal Control (CONT'D)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. CONTROL ENVIRONMENT (CONT'D)

viii. Anti-Bribery and Anti-Corruption Policy (cont'd)

The Group is committed to conduct its businesses professionally, fairly and with integrity and transparency in compliance with all applicable anti-bribery and corruption laws. Any breach of the Anti-Bribery and Corruption Policy or applicable local law could result in disciplinary action being taken and ultimately could result in dismissal and/or termination of the affected business dealing. Further legal action may also be taken as a result of non-compliance and/or misconduct.

The Group's policies and procedures are periodically reviewed and updated by the Management to factor in any changes in business, operational, statutory and regulatory requirements.

2. CONTROL ACTIVITIES

The Group ensures that there are adequate financial and operational policies and procedures to govern the operations of the Group.

Annual business plans and operating budgets are prepared by each of its Business and/or the subsidiaries, which are discussed through monthly meetings and approved by the Executive Director.

Actual performance and significant variances against budget are monitored on an on-going basis.

The Group adopts several approaches to its control activities to ensure that a holistic coverage of threats and mitigation strategies are carried out accordingly. The approaches are summarised below:

- Directive Controls are designed to establish desired outcomes.
- Preventive Controls are designed to discourage errors or irregularities from occurring.
- Detective Controls are designed to find errors or irregularities after they have occurred.
- Corrective Controls are intended to limit the extent of any damage caused by an incident.
- Risk Transfer strategy may be considered to enable transferring of identified risks to a third party in order to reduce the impact. The Management may choose to transfer all or part of a certain risk to other parties via:-
 - (i) Transferring an entire business process to another party as is the case with sub-contracting and outsourcing arrangements;
 - (ii) Sharing the business process with another party as is the case with partnerships and joint venture arrangements; and
 - (iii) Retaining the process and transferring the legal and financial risks as is the case with insurance arrangements and the use of certain treasury/financial products.
- Risk Elimination strategy may be considered when a risk is deemed to be reducible to an acceptable level if the activity is terminated. The Group may choose this route for risks that could have major or catastrophic impact on its businesses.
- Risk Acceptance strategy may be considered when the residual risk is low. Factors to consider for risks of such nature would be:-
 - (i) Adequacy of current controls;
 - (ii) Quality and quantity of information on the controls;
 - (iii) Likelihood and consequences of the risk occurring; and
 - (iv) The cost of additional controls.

To understand the extent to which the likelihood and impact of a risk occurring is being mitigated, the full set of controls currently in place is documented and assessed for effectiveness in terms of design and operating effectiveness.

Where controls are operated by an external third party, discussions and assessments are performed to ensure that appropriate reviews are conducted.

Statement on Risk Management & Internal Control (CONT'D)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

Internal Audit Function

The roles, responsibilities and activities of the Internal Audit function are described and detailed on pages 140 to 141 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.

INFORMATION AND COMMUNICATION PROCESSES

Communication and consultation with internal as well as external stakeholders are important elements of the risk management process. Effective communication is essential to ensure that all stakeholders are well-informed on any decisions or actions taken, including the justifications for such actions.

The Management and the Board receive timely, relevant and reliable reports which are reviewed on a regular basis:

- The Group has put in place an information system that captures, compiles, analyses and reports relevant data, which enables management to make sound business decisions in a timely manner.
- The Group takes a serious view of its legal and ethical responsibilities. It has taken steps to ensure compliance with internal controls, as well as relevant laws and regulations that govern the business and operations of the Group.
- A Whistleblowing Policy provides clear and confidential channels for communication and feedback. It outlines the Group's commitment to encourage its staff and stakeholders to raise genuine concerns about possible improprieties relating to financial reporting, compliance or suspected violations of the Group's Code of Conduct Ethics and Conduct, and to disclose any improper conduct or other malpractices within the Group in an appropriate way.
- The Group practices a zero-tolerance approach against all forms of bribery and corruption. In line with this, the Group has introduced its Anti-Bribery and Anti - Corruption Policy which comprises a set of key policies, procedures, standards and guidelines to address the bribery and corruption risks. The policy is designed to help recognise potential bribery and corruption, and to serve as a guide for acceptable and unacceptable behaviours regarding bribery and corruption.

MONITORING AND REPORTING

The Group's Policies and Procedures are reviewed and revised periodically to meet changing business environment needs as well as complying with regulatory requirements.

Board meetings are held at least once in a quarter with a formal agenda on matters for discussion. In addition, regular management and operation meetings are conducted by Executive Leadership, comprising the Group Managing Director, Executive Directors and Heads of Business Units.

The Head of Assurance and Governance (ANG) reports to the AC and is guided by an Internal Audit Charter that is approved by the Board. The ANG function is responsible for monitoring compliance with the Group's Policies and Procedures, operational needs and regulatory requirements, which provides independent assurance on the effectiveness of risk management and internal control systems through regular audits and continuous assessments.

The Group's annual internal audit plan is reviewed and approved by the Audit Committee and subsequently endorsed by the Board. The execution of the planned internal audits' achievement is monitored every quarter. Audit findings are presented to the AC every quarter for their review and deliberation before it is tabled at Board meetings.

Significant audit findings and recommendations for improvements are highlighted to senior management and the AC, with periodic follow-up reviews of the implementation of corrective action plans.

Statement on Risk Management & Internal Control (CONT'D)

RISK MANAGEMENT FRAMEWORK

The Group adopts an ERM framework which is consistent with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

The Group's ERM framework was last revised and approved by the Board on 17 May 2018. Since then, the Assurance and Governance Department has reviewed the framework periodically to ensure its continued relevance and effectiveness. As at the date of this Statement, the ERM framework remains aligned with the Group's evolving needs and objectives.

The ERM framework is a structured and disciplined approach aligning strategy, process, people, technology and knowledge with the purpose of evaluating and managing the risks the Group faces as it seeks to create value. In essence, every employee is an integral part of the Group's risk management framework. Every employee from the on-site staff to the Executive Directors plays an important role in the Group's ERM framework.

The Group is committed to promoting an organisational culture where risk management is embedded in all activities and business processes. A good understanding of the strategic and operational risks as well as opportunities, also allows the management to make informed decisions in order to achieve organisational and strategic goals.

KEY RISKS AND MITIGATION

To manage and minimise our risks, we identify them, rate their potential severity, and put in place actions as well as mitigating plans. In no order of priority, we summarise below the Group's key profile risk

Risk Category	Description & Impact	Mitigation Measures
<p>Governance and Compliance Risk: Evolving regulatory landscape on sustainability</p>	<p>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>	<p>In response to the evolving regulatory landscape on sustainability, the Group has:</p> <ul style="list-style-type: none"> Established and mandated its RMSC to oversee and manage the Group's sustainability goals, priorities, enforcement and delivery; Formalised the Human Capital Policies, which enforces a "No Child Labour" practice, formation of the Gender Committee and Joint Consultative Committee; Formalised proper channels for its employees and business associates to report on any violation of policies and procedures of the Group; Promote awareness amongst its employees and business associates of the Group's Anti-Bribery and Anti-Corruption Policy and other sustainability-related policies. <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>

Statement on Risk Management & Internal Control (CONT'D)

KEY RISKS AND MITIGATION (CONT'D)

Risk Category	Description & Impact	Mitigation Measures
<p>Operational Risk: Fluctuation of operational costs, with upside risk</p>	<p>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, fluctuation in the Ringgit, and overall inflationary pressures on its input materials. Moving forward, the risk of cost escalation remains upward tilted, given the rising global trade barriers and geopolitical tensions in the Middle East which may lead to supply chain disruptions.</p>	<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>
<p>Operational Risk: Inability to achieve optimum oil yield per hectare due to ageing palm tree profile</p>	<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 recalibrated, if necessary, until the overall age profile of our plantation is fully optimized.</p>

Statement on Risk Management & Internal Control (CONT'D)

KEY RISKS AND MITIGATION (CONT'D)

Risk Category	Description & Impact	Mitigation Measures
<p>Foreign Currency and Commodity Price Risks: Fluctuation of local and international commodity prices affecting prices of FFB, CPO and other palm oil milling products</p>	<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 impact of 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>
<p>Environmental Risk: Extreme weather conditions impacting operation</p>	<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 infrastructures. Our estates are also exploring new method to mitigate the impact of drought with tube-well systems.</p>
<p>Human Resource and Labour Shortage Risks: High dependency on foreign labour</p>	<p>The Indonesian Government's temporary freeze on the placement of Indonesian workers to Malaysia in 2021 had previously disrupted the Group's planned intake of foreign labour. While the restriction has since been lifted and labour inflows have progressively normalised, the Group continues to face challenges in achieving an optimal and sustainable workforce level across its estates.</p> <p>The plantation sector remains structurally dependent on foreign labour, particularly from Indonesia, and is therefore exposed to evolving labour policies in both Malaysia and source countries. In addition, increasing regulatory requirements, heightened scrutiny on labour practices and workers' welfare, as well as competition for labour from other sectors, continue to pose ongoing challenges to labour availability, cost and compliance.</p>	<p>To alleviate the labour shortage, we are:</p> <ul style="list-style-type: none"> • Offering incentives to retain existing workers and to attract new workers. • Enhancing housing and other facilities and benefits. • Improving communications with the local authorities and recruiting agents to expedite recruitment process. • Accelerating mechanisation, particularly for activities like collecting fresh fruit bunches (FFB).

Statement on Risk Management & Internal Control (CONT'D)

KEY RISKS AND MITIGATION (CONT'D)

Risk Category	Description & Impact	Mitigation Measures
Health & Safety Risks: Hazard	<p>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>	<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 & transportation of chemicals, spraying & manuring, and machinery operation & repairs. We conduct regular reviews/audits of processes to ensure that safe working procedures are practiced and personal protective equipments 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 & 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>
Organisation Capability Risk: Challenges in attracting, obtaining and retaining talent	<p>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>	<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>
Competition Risk: Competition for FFB supply	<p>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>	<p>In order to counter the risk, we put in place procedures to:</p> <ul style="list-style-type: none"> • monitor suppliers and competitors' strategies to better prepare for any shift in FFB supply and demand trends; • build rapport with suppliers to keep abreast of any potential change in supply chain to stay ahead of competitors; • continuously assess and re-align strategies to remain competitive.

Statement on Risk Management & Internal Control (CONT'D)

CONFIDENTIAL REPORTING

The Group's Whistleblowing 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.

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 2026 (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

The Group's risk management and internal control systems, covering financial, operational, compliance and information technology matters are in place and functioning to manage risks appropriately during the financial year under review.

This assurance was derived from the Group's established risk management framework, active Board oversight, ongoing management monitoring and review processes undertaken in collaboration with the independent assurance provided by the ANG Department, which collectively form an integral part of the Group's governance and control ecosystem. With respect to the identified gaps and areas for improvement, appropriate remedial actions have been implemented or are in the process of being implemented.

Management acknowledges that any system of risk management and internal control is subject to inherent limitations and is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives.

In line with the Guidelines, the Managing Director and the 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.

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 2026.

The External Auditors have reviewed this Statement on Risk Management & 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 & 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 2026, 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.

Statement on Risk Management & Internal Control (CONT'D)

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 and the Group and to facilitate the expansion of its operations.

The Board recognises that the current geopolitical landscape introduces heightened uncertainty and risk. The Group will continue to enhance its risk management practices and internal control systems to ensure resilience and sustainability of its operations. While the system of risk management and internal control is designed to manage rather than eliminate risks, it provides reasonable, but not absolute, assurance against material misstatement or loss.

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 15 May 2026.



Report of the Audit Committee

OVERVIEW

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 2026 and in compliance with Paragraph 15.15 (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“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:

Chairperson : Soh Ban Ting

Members : Yong Chung Sin
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.

Ms. Soh Ban Ting, the Chairperson of the Audit Committee is a Certified Practising Accountant of CPA Australia and a member of Malaysian Institute of Accountants (“MIA”) and Mr. Yong Chung Sin, another member of the Audit Committee is a Fellow of the Association of Chartered Certified Accountants and a Chartered Accountant of MIA.

The Company has therefore complied with Paragraph 15.09(1)(c)(i) of the MMLR.

MEETINGS

During the financial year 2026, the Audit Committee held a total of eight (8) meetings with the attendance of the Finance Director, Group Financial Controller, Financial Controller, Head of Assurance & Governance Department (“AGD”), senior representatives 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 Chairperson 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 Chairperson 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
Soh Ban Ting	8	8
Yong Chung Sin	8	8
Dr. Chee Yau Kuan @ Chia Yan Kuan	8	8

Report of the Audit Committee

(CONT'D)

TERMS OF REFERENCE

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

SUMMARY OF WORKS OF THE AUDIT COMMITTEE

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

During the financial year 2026, the Audit Committee discharged its duties and responsibilities in accordance with its terms of reference.

The Chairperson of the 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 adherence to relevant legal and regulatory requirements;
- Reviewed the annual audited financial statements of the Group and 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 of the Group; and
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with Best Practices set under the Code in conjunction with the preparation of the Corporate Governance Overview Statement and Statement of Risk Management & Internal Control.

External Audit

- Reviewed the External Auditor's annual audit plan and audit strategy for the financial year ended 31 January 2026 to ensure their scope of work adequately covered the activities of the Group and the Company;
- Discussed with the management and the External Auditors the Malaysian Financial Reporting Standards applicable to the financial statements of the Group and 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 financial year;
- Reviewed the assistance given by the Assurance and Governance Department to the External Auditors;
- Held independent meeting (without the presence of Management) with the External Auditors; and
- Reviewed and approved the provision of non-audit services by the external auditors that were agreed to prior to their commencement of such work and confirmed as permissible for them to undertake, as provided under the By-Laws of the Malaysian Institute of Accountants.

Report of the Audit Committee

(CONT'D)

SUMMARY OF WORKS OF THE AUDIT COMMITTEE (CONT'D)

External Audit (cont'd)

The amount of audit and non-audit fees incurred for the financial year ended 31 January 2026 were as follows:

Fees Incurred	Audit Fees (RM)	Non Audit Fees (RM)
The Group	544,000	9,000
The Company	95,000	9,000

Internal Audit

- Reviewed and approved the Assurance and Governance Department and Deloitte Business Advisory Sdn. Bhd.'s plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries;
- Reviewed the internal audit reports presented by the Assurance and Governance Department and Deloitte Business Advisory Sdn. Bhd. in particular material findings, recommendations and management responses thereto and ensured that these material findings were adequately addressed by Management and reported to the Board;
- Held independent meetings (without the presence of Management) with the Internal Auditors; and
- Monitored the implementation of the audit recommendations 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 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.

Conflict of Interest (COI)

- The Company's COI guidance has been embedded in the Code of Ethics and Conduct. This Code, together with the Anti-bribery and Anti-Corruption Policy have been adopted for the purpose of assisting the Directors and key senior management in recognizing and managing potential COIs that may arise during the financial year, as well as any subsisting COIs that have existed since previous years.
- In line with Bursa Securities Guidance on Conflict of Interest, the Audit Committee had in the financial year ended 31 January 2026 reviewed and reported to the Board on possible situations involving key senior management that may give rise to COI and measures to resolve, eliminate or mitigate such COI. Based on such review the Audit Committee viewed the situations which give rise to such actual or potential COI has been adequately managed in accordance with Company Policy and Bursa Securities requirements.

Report of the Audit Committee

(CONT'D)

SUMMARY OF WORKS OF THE AUDIT COMMITTEE (CONT'D)

Conflict of Interest (cont'd)

No	Nature of COI	Nature and extent of interest of COI	Measures taken to address COI
1	Persons connected to Mr. Chang Chow Swan, a member of the Key Senior Management, are engaged in providing repair and maintenance services.	His son and brother are directors of the companies providing repair and maintenance services to the palm oil mill.	He is not authorised to initiate any procurement from the affected companies.

In compliance with the MMLR and the Group COI Guidelines, the following measures were implemented:

- Conflicted parties abstained from deliberations on relevant transactions, were not involved in negotiations, and had no access to related materials.
- All transactions were conducted on an arm's length basis and in the best interests of the Group, in accordance with established policies and procedures.
- Actual or potential conflicts of interest that led to a Related Party Transaction (RPT) were managed in compliance with the Companies Act 2016, the MMLR, and the Internal Guidelines on RPT.
- Transactions involving conflicted parties were approved by an authority level higher than the prescribed limits of authority.
- Transactions with conflicted parties were tabled for the AC's half yearly review.

Reporting Responsibilities

- Regularly reports to the Board of Directors about the Committee's activities, issues and related recommendations.
- Provides an open avenue of communication between Internal Auditors, the External Auditors and the Board of Directors.
- Reports annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by MMLR, including approval of non-audit services.
- Reviewed any other reports the Company issues that relate to the Committee's responsibilities.
- Reviewed the allocation of Executives' Share Option Scheme ("ESOS") in compliance with the criteria as stipulated in the By-laws of ESOS of the Company.

Trainings

During the financial year, all the Audit Committee members attended various seminars, training programmes and conferences.

Kindly refer to the CG Overview Statement on pages 106 to 107 for the training details.

Site Visit

On 10 June 2025, members of the Audit Committee visited two (2) oil palm estates of Winsome Pelita (Pantu) Sdn Bhd in Sarawak, namely Sungai Tenggang Estate and Kranggas Estate. The objectives of the visit are 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 Manager of Assurance and Governance Department. The line management briefed the visiting team on the operations and challenges faced by the estates.

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".

Out-sourced internal audit function

Deloitte Business Advisory Sdn. Bhd, in their role as the Internal Auditors of the Group, 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 five (5) independent associates and is headed by Mr. S Subhash Chandran K Sekaran Nair, General Manager, one (1) Manager, two (2) Assistant Manager and one (1) Executive. The AGD team consist of one (1) Masters of Business Administration holder and three (3) Accounting & Finance and one (1) Statistics Degree holders. Three (3) managers have more than ten (10) years, one manager has seven (7) years and the executive has more than one (1) year working experiences in auditing. Two (2) members of the AGD are members of Institute of Internal Auditors Malaysia.

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 2026, 33 reports were presented to the Audit Committee incorporating the AGD and Deloitte Business Advisory Sdn. Bhd 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 meetings of the Audit Committee.

The internal audit function incurred a total cost of approximately RM900,000 for the financial year 2026.

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

- Carrying out the internal auditing of the Group, including its subsidiary companies.
- Facilitating the improvement of business processes within the Group.
- Establishing a follow up process in monitoring the implementation of audit recommendation by Management.
- Monitoring the effectiveness of the Group’s risk management systems by reviewing the implementation of the risk assessment action plans by Management.
- 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 15 May 2026.

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.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met twice during the financial year 2026. The attendance of the members of the Committee of the meeting 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.

While the Remuneration Committee undertakes detailed assessments and makes recommendations, final decisions are made by the Board as a whole. To uphold objectivity, the Executive Directors did not participate in discussions relating to their own remuneration. Similarly, Non-Executive Directors abstain from deliberations concerning their individual remuneration. Any revision to Directors' fees or benefits is subject to approval by shareholders at a general meeting.

This Report is made in accordance with a resolution of the Board of Directors dated 15 May 2026.

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.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2026. The attendance of the members of the Committee of the meeting was 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 under Clause 88 of the Constitution of the Company;
- 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.

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 Bursa Securities MMLR. The Directors' Fit and Proper Policy serves as a guide to the Nominating Committee and the Board in their review and assessment of candidates that are to be appointed to the Board of the Company and its subsidiaries 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 and its subsidiaries.

The Directors' Fit and Proper Policy is available on the Company's website at www.kimloong.com.my.

Report of the Nominating Committee

(CONT'D)

ANNUAL EVALUATION

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

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 skill, 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 has carried out his/her duties in accordance with the Terms of Reference of the Audit Committee.

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 15 May 2026.



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 2026.

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 16 to the financial statements.

Results

	Group RM	Company RM
Profit net of tax	206,153,966	141,107,082
Profit net of tax attributable to:		
Owners of the Company	168,501,552	141,107,082
Non-controlling interests	37,652,414	-
	206,153,966	141,107,082

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 2025 were as follows:

	RM
In respect of the financial year ended 31 January 2025 as reported in the directors' report of that year:	
- Second interim single-tier dividend of 5 sen per share on 982,334,153 ordinary shares, declared on 26 March 2025 and paid on 15 May 2025	49,116,708
In respect of the financial year ended 31 January 2026:	
- First interim single-tier dividend of 5 sen per share on 982,595,153 ordinary shares, declared on 29 September 2025 and paid on 13 November 2025	49,129,757
- Special single-tier dividend of 3 sen per share on 983,502,153 ordinary shares, declared on 29 December 2025 and paid on 10 February 2026	29,505,065
- Second interim single-tier dividend of 6 sen per share on 984,586,153 ordinary shares, declared on 26 March 2026 and payable on 18 May 2026	59,075,169
	186,826,699

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 Tsih Ern (f) *	(Alternate Director to Gooi Seong Lim)
Gooi Chuen Kang *	(Alternate Director to Gooi Seong Heen)
Yong Chung Sin	
Soh Ban Ting (f)	
Dr. Chee Yau Kuan @ Chia Yan Kuan	

* 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	
Emiliana Chin Yen Ling (f)	
Gan Liong Hoe @ Zephyrinus	
Andree Alexander Funk	
Samry Bin Suhaimin	
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	
Tuan Hj Othman Bin Taib	
Gee Ping Tou	
Lim Chor Lan (f)	
Mohd Faiz bin Md Yasin	
George Lentton Anak Indang	
Datu Sr. Zaidi Bin Haji Mahdi	
Datu Sirai Anak Daha	
Abd Rahman Bin Abd Samad	
Jeremy Sim Hui Yii	(Appointed on 29 January 2026)
Samuel Gregory Wong Pat Ting	(Appointed on 29 January 2026)
Jailis bin Masarip @ Misarip	(Appointed on 10 February 2026)
Tan Sri Datuk Liew Yun Fah	(Appointed on 27 April 2026)
Lee Nyuk Choon @ Jamilah Ariffin (f)	(Retired on 10 February 2026)

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.

Directors' Report

(CONT'D)

Directors' benefits (cont'd)

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 30 to the financial statements.

The Directors' benefits are as follows:

	Group RM	Company RM
Salaries and other emoluments	9,290,100	6,827,700
Fees	738,250	386,250
Defined contribution plan	975,346	698,896
Social security costs	21,427	3,571
Share options granted under ESOS	1,071,252	1,071,252
Estimated money value of benefits-in-kind	53,700	52,217
	12,150,075	9,039,886

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:

	1.2.2025	Number of ordinary shares		31.1.2026
		Acquired	Sold	
The Company				
Gooi Seong Lim				
- direct interest	6,102,532	390,000	-	6,492,532
- indirect interest	632,435,972	-	-	632,435,972
Gooi Seong Heen				
- direct interest	5,568,922	390,000	-	5,958,922
- indirect interest	628,227,576	-	-	628,227,576
Gooi Seong Chneh				
- direct interest	5,127,922	390,000	-	5,517,922
- indirect interest	628,227,576	-	-	628,227,576

Directors' Report

(CONT'D)

Directors' interests (cont'd)

	1.2.2025	Number of ordinary shares		31.1.2026
		Acquired	Sold	
The Company (cont'd)				
Gooi Seong Gum				
- direct interest	417,690	780,000	-	1,197,690
- indirect interest	628,403,976	-	-	628,403,976
Gooi Tsih Ern				
- indirect interest	3,149,996	-	-	3,149,996
Dr. Chee Yau Kuan @ Chia Yan Kuan				
- direct interest	774,195	-	-	774,195
- indirect interest	2,061,545	-	-	2,061,545

	1.2.2025	Number of options over ordinary shares		31.1.2026
		Granted	Exercised	
The Company				
Gooi Seong Lim	1,950,000	-	390,000	1,560,000
Gooi Seong Heen	1,950,000	-	390,000	1,560,000
Gooi Seong Chneh	1,950,000	-	390,000	1,560,000
Gooi Seong Gum	1,950,000	-	780,000	1,170,000
Gooi Tsih Ern	-	540,000	-	540,000
Gooi Chuen Kang	1,044,000	-	-	1,044,000

	1.2.2025	Number of ordinary shares		31.1.2026
		Acquired	Sold	
Holding company				
Sharikat Kim Loong Sendirian Berhad				
Gooi Seong Lim				
- indirect interest	49,875	-	-	49,875
Gooi Seong Heen				
- indirect interest	49,875	-	-	49,875
Gooi Seong Chneh				
- indirect interest	49,875	-	-	49,875
Gooi Seong Gum				
- indirect interest	49,875	-	-	49,875

KIM LOONG RESOURCES BERHAD

Directors' Report

(CONT'D)

Directors' interests (cont'd)

	1.2.2025	Number of ordinary shares		31.1.2026
		Acquired	Sold	
Related corporation				
Crescendo Corporation Berhad				
Gooi Seong Lim				
- direct interest	3,901,356	432,000	-	4,333,356
- indirect interest	588,191,358	234,000	-	588,425,358
Gooi Seong Heen				
- direct interest	14,109,363	495,000	-	14,604,363
- indirect interest	576,648,342	-	-	576,648,342
Gooi Seong Chneh				
- direct interest	12,864,372	-	-	12,864,372
- indirect interest	576,444,342	-	-	576,444,342
Gooi Seong Gum				
- direct interest	552,000	495,000	-	1,047,000
- indirect interest	576,444,342	-	-	576,444,342
Gooi Tsih Ern				
- indirect interest	11,327,016	-	-	11,327,016

	1.2.2025	Number of options over ordinary shares		31.1.2026
		Granted	Exercised	
Related corporation				
Crescendo Corporation Berhad				
Gooi Seong Lim	2,160,000	210,000	432,000	1,938,000
Gooi Seong Heen	1,728,000	210,000	495,000	1,443,000
Gooi Seong Chneh	1,728,000	210,000	-	1,938,000
Gooi Seong Gum	1,728,000	210,000	495,000	1,443,000

Directors' Report

(CONT'D)

Directors' interests (cont'd)

	1.2.2025	Number of ordinary shares		31.1.2026
		Acquired	Sold	
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

	1.2.2025	Number of ordinary shares		31.1.2026
		Acquired	Sold	
Related corporation				
Panoramic Housing Development Sdn. Bhd.				
Gooi Seong Lim				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Heen				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Chneh				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Gum				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200

Directors' Report

(CONT'D)

Directors' interests (cont'd)

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,

- (i) the Company issued 2,758,110 new ordinary shares pursuant to the exercise of 2,758,110 warrants and the relevant details are disclosed in Note 28(b) to the financial statements.
- (ii) 2,584,000 new ordinary shares were issued by virtue of the exercise of 2,522,000 share options (at RM2.26 per share) and 62,000 share options (at RM2.09 per share) granted pursuant to the Company's Executives' Share Option Scheme.

The new ordinary shares issued during the year rank pari passu in all respects with the existing shares of the Company.

The Company did not issue any debentures during the financial year.

Executives' share option scheme

The Company implemented an Executives' Share Option Scheme ("ESOS") effective from 27 December 2024 for a period of 5 years. The ESOS is governed by the Bye-Laws approved by the shareholders on 6 September 2024.

The main features of the ESOS are:

- (i) The total number of new ordinary shares to be issued by the Company under the ESOS shall not, in aggregate, exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) ("Maximum Scheme Shares"). Furthermore, not more than 70% of the Maximum Scheme Shares shall, in aggregate, be allocated to the executive Directors and senior management of the Group (excluding dormant subsidiaries).
- (ii) Not more than 10% of the Maximum Scheme Shares shall be allocated to any Eligible Executive who, either individually or collectively with persons connected to them, holds 20% or more of the total issued ordinary shares of the Company.
- (iii) Subject to the limitations of the Bye-Laws, the ESOS Committee may, at its absolute discretion, select and identify suitable employees to qualify as Eligible Executives; determine the basis of allocation; set additional terms and conditions of an Offer; and/or waive any conditions of eligibility as set out in Bye-Law 4.1.
- (iv) The option price under the ESOS shall not be at a discount of more than ten percent (10%) from the five-day weighted average market price of the Company's shares traded on Bursa Malaysia preceding the Offer Date.
- (v) The options granted shall remain valid until the expiry of the ESOS on 26 December 2029.

Directors' Report

(CONT'D)

Executives' share option scheme (cont'd)

The main features of the ESOS are: (cont'd)

- (vi) An option holder may, in any particular year, exercise up to the maximum number of shares specified in the option certificate.
- (vii) Persons to whom the options are granted shall have no right, by virtue of such options, to participate in the shares of any other company within the Group.

During the financial year, the Company granted 2,696,000 new share options to Eligible Executives under the ESOS. Further details are disclosed in Note 28(d) to the financial statements.

Details of options granted to the Directors are disclosed in the section on Directors' interests in this report.

Treasury shares

During the financial year, the Company resold 1,019,000 treasury shares in the open market for net proceeds of RM2,401,736. The Company did not acquire any shares through purchases on Bursa Malaysia during the financial year.

As of 31 January 2026, the Company did not hold any treasury shares out of its 983,502,153 issued ordinary shares. Further relevant details 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.

Significant event subsequent to the financial year end

Details of a significant subsequent event are disclosed in Note 38 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.

Directors' Report

(CONT'D)

Other statutory information (cont'd)

- (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.

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	544,000	95,000
- Other services	9,000	9,000
	553,000	104,000

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 2026.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 15 May 2026.

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 160 to 231 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting 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 2026 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 15 May 2026.

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 160 to 231 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 15 May 2026)

Chow Kok Hiang

Before me,

Nur Amreeta Kaur Gubachen Singh
 No. J276
 Commissioner for Oaths

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 2026 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 160 to 231.

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 2026, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting 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 Group and 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"), as applicable to audits of financial statements of public interest entities 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 RM1.77 billion. Given the nature of the business operations of the Group, we identified revenue recognition in respect of sale of palm oil milling products to be an area of audit focus as we consider the high volume of transactions to be a possible cause of higher risk of material misstatements in the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

Independent Auditors' Report

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

How our audit addressed the matter

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

- i. testing the Group's internal controls over the timing and amount of revenue recognised;
- ii. using data analytics to audit revenue recognised by establishing correlations between revenue, trade receivables, and cash and bank balances. For entities where data analytics are not applied, inspecting documents on a sampling basis that evidence the sales of goods to customers.
- iii. testing the recording of sales transactions close to year-end, including credit notes issued after year-end, to determine whether 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 comprises 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

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 MFRS Accounting Standards, IFRS Accounting 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 and of the Company that are free from material misstatement, whether due to fraud or error.

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

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

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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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)

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.

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
03348/01/2028 J
Chartered Accountant

Johor Bahru, Malaysia

Date: 15 May 2026

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Revenue	4	1,823,857,696	1,684,021,393	56,369,845	56,468,460
Cost of sales	5	(1,499,089,487)	(1,385,608,613)	(24,957,511)	(22,586,790)
Gross profit		324,768,209	298,412,780	31,412,334	33,881,670
Other items of income	6	25,467,829	25,090,094	145,931,184	158,568,815
Other items of expense					
Distribution cost		(26,896,069)	(24,895,432)	(3,092,666)	(2,998,008)
Administrative expenses		(41,960,204)	(37,766,758)	(27,734,670)	(23,852,715)
Finance costs	7	(7,311,880)	(3,312,402)	-	-
Other expenses		(2,698,686)	(2,199,810)	(372,176)	(110,679)
Profit before tax	8	271,369,199	255,328,472	146,144,006	165,489,083
Taxation	11	(65,215,233)	(60,745,689)	(5,036,924)	(6,896,867)
Profit net of tax, representing total comprehensive income for the year		206,153,966	194,582,783	141,107,082	158,592,216
Profit net of tax, representing total comprehensive income attributable to:					
Owners of the Company		168,501,552	161,421,953	141,107,082	158,592,216
Non-controlling interests		37,652,414	33,160,830	-	-
		206,153,966	194,582,783	141,107,082	158,592,216
Earnings per share attributable to owners of the Company (sen per share):					
- Basic	12	17.16	16.55		
- Diluted	12	17.15	16.52		

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

Statements of Financial Position

AS AT 31 JANUARY 2026

	Note	2026 RM	Group 2025 RM	2026 RM	Company 2025 RM
Assets					
Non-current assets					
Property, plant and equipment	13	304,400,008	289,419,477	14,234,724	12,850,435
Right-of-use assets	14	318,529,663	323,721,295	163,386,565	166,375,861
Bearer plants	15	136,514,759	132,769,172	25,945,718	27,718,583
Investment in subsidiaries	16	-	-	71,170,697	61,045,894
Other receivables	19	-	-	98,950,000	112,500,000
Deferred tax assets	27	1,209,000	549,000	-	-
Prepayments for acquisition of property, plant and equipment		4,759,793	2,440,237	400,890	-
		765,413,223	748,899,181	374,088,594	380,490,773
Current assets					
Inventories	17	64,838,312	38,591,388	436,122	702,358
Biological assets	18	5,403,000	6,201,000	1,153,000	1,282,000
Trade and other receivables	19	52,779,967	51,224,939	34,583,492	23,389,529
Prepayments		2,539,906	2,022,937	206,208	353,113
Tax recoverable		125,286	1,083,283	-	-
Derivatives	20	269,250	21,350	-	-
Short term funds	21	329,545,592	275,306,759	180,282,624	152,396,532
Cash and bank balances	22	264,303,013	248,933,013	92,175,871	79,612,822
		719,804,326	623,384,669	308,837,317	257,736,354
Total assets		1,485,217,549	1,372,283,850	682,925,911	638,227,127

Statements of Financial Position

AS AT 31 JANUARY 2026

(CONT'D)

	Note	2026 RM	Group 2025 RM	2026 RM	Company 2025 RM
Equity and liabilities					
Current liabilities					
Trade and other payables	24	112,416,238	93,150,120	8,610,661	10,869,766
Loans and borrowings	25	35,296,000	25,146,000	20,300,000	10,150,000
Lease liabilities	26	63,536	-	-	-
Derivatives	20	545,675	-	-	-
Dividend payable		29,505,065	-	29,505,065	-
Tax payable		26,097,498	20,641,382	2,192,902	3,629,039
		203,924,012	138,937,502	60,608,628	24,648,805
Net current assets		515,880,314	484,447,167	248,228,689	233,087,549
Non-current liabilities					
Loans and borrowings	25	105,048,000	135,344,000	89,550,000	109,850,000
Lease liabilities	26	437,037	-	-	-
Deferred tax liabilities	27	105,294,325	97,598,750	40,895,476	41,903,332
		210,779,362	232,942,750	130,445,476	151,753,332
Total liabilities		414,703,374	371,880,252	191,054,104	176,402,137
Net assets		1,070,514,175	1,000,403,598	491,871,807	461,824,990
Equity attributable to owners of the Company					
Share capital	28	398,009,962	386,798,597	398,009,962	386,798,597
Treasury shares	28(c)	-	(917,356)	-	(917,356)
Option reserve	28(d)	6,748,058	3,192,099	6,748,058	3,192,099
Retained earnings	29	534,693,123	492,936,516	87,113,787	72,751,650
		939,451,143	882,009,856	491,871,807	461,824,990
Non-controlling interests		131,063,032	118,393,742	-	-
Total equity		1,070,514,175	1,000,403,598	491,871,807	461,824,990
Total equity and liabilities		1,485,217,549	1,372,283,850	682,925,911	638,227,127

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 2026

Note	Total equity RM	Attributable to owners of the Company				Treasury shares RM	Non-controlling interests RM
		Total RM	Share capital (Note 28) RM	Option reserve (Note 28(d)) RM	Retained earnings (Note 29) RM		
At 1 February 2025	1,000,403,598	882,009,856	386,798,597	3,192,099	492,936,516	(917,356)	118,393,742
Changes in equity for the year:							
Profit net of tax, representing total comprehensive income	206,153,966	168,501,552	-	-	168,501,552	-	37,652,414
Transactions with owners							
Issuance of shares arising from exercise of:							
- Warrants	3,861,354	3,861,354	4,411,045	-	(549,691)	-	-
- ESOS	5,829,300	5,829,300	6,800,320	(971,020)	-	-	-
Resale of treasury shares	2,401,736	2,401,736	-	-	1,484,380	917,356	-
Issuance of options under ESOS	4,598,875	4,598,875	-	4,598,875	-	-	-
Cancellation of options under ESOS	-	-	-	(71,896)	71,896	-	-
Acquisition of subsidiary	3,314,876	-	-	-	-	-	3,314,876
Dividends payable to non-controlling interests	(28,298,000)	-	-	-	-	-	(28,298,000)
Dividends for the year ended							
- 31 January 2025	(49,116,708)	(49,116,708)	-	-	(49,116,708)	-	-
- 31 January 2026	(78,634,822)	(78,634,822)	-	-	(78,634,822)	-	-
Total transactions with owners	(136,043,389)	(111,060,265)	11,211,365	3,555,959	(126,744,945)	917,356	(24,983,124)
At 31 January 2026	1,070,514,175	939,451,143	398,009,962	6,748,058	534,693,123	-	131,063,032

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

	Attributable to owners of the Company						Non-controlling interests
	Total equity	Total	Share capital	Option reserve	Retained earnings	Treasury shares	
Note	RM	RM	(Note 28)	(Note 28(d))	(Note 29)	(Note 28(c))	RM
			RM	RM	RM	RM	RM
At 1 February 2024	980,424,066	864,916,945	380,891,436	-	485,149,022	(1,123,513)	115,507,121
Changes in equity for the year:							
Profit net of tax, representing total comprehensive income	194,582,783	161,421,953	-	-	161,421,953	-	33,160,830
Transactions with owners							
Issuance of shares arising from exercise of warrants	5,171,028	5,171,028	5,907,161	-	(736,133)	-	-
Resale of treasury shares	542,337	542,337	-	-	336,180	206,157	-
Issuance of options under ESOS	3,192,099	3,192,099	-	3,192,099	-	-	-
Acquisition from non-controlling interest in a subsidiary	(9,027,000)	(6,864,791)	-	-	(6,864,791)	-	(2,162,209)
Dividends payable to non-controlling interests	(28,112,000)	-	-	-	-	-	(28,112,000)
Dividends for the year ended	(48,753,884)	(48,753,884)	-	-	(48,753,884)	-	-
- 31 January 2024	(97,615,831)	(97,615,831)	-	-	(97,615,831)	-	-
Total transactions with owners	(174,603,251)	(144,329,042)	5,907,161	3,192,099	(153,634,459)	206,157	(30,274,209)
At 31 January 2025	1,000,403,598	882,009,856	386,798,597	3,192,099	492,936,516	(917,356)	118,393,742

Company Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

	Note	Total equity RM	Share capital (Note 28) RM	Non-	Distributable	
				distributable Option reserve (Note 28(d)) RM	Retained earnings (Note 29) RM	Treasury shares (Note 28(c)) RM
At 1 February 2025		461,824,990	386,798,597	3,192,099	72,751,650	(917,356)
Changes in equity for the year:						
Profit net of tax, representing total comprehensive income		141,107,082	-	-	141,107,082	-
Transactions with owners						
Issuance of shares arising from exercise of:						
- Warrants	28(b)	3,861,354	4,411,045	-	(549,691)	-
- ESOS	28(d)	5,829,300	6,800,320	(971,020)	-	-
Resale of treasury shares	28(c)	2,401,736	-	-	1,484,380	917,356
Issuance of options under ESOS	28(d)	4,598,875	-	4,598,875	-	-
Cancellation of options under ESOS	28(d)	-	-	(71,896)	71,896	-
Dividends for the year ended						
- 31 January 2025	37	(49,116,708)	-	-	(49,116,708)	-
- 31 January 2026	37	(78,634,822)	-	-	(78,634,822)	-
Total transactions with owners		(111,060,265)	11,211,365	3,555,959	(126,744,945)	917,356
At 31 January 2026		491,871,807	398,009,962	6,748,058	87,113,787	-

KIM LOONG RESOURCES BERHAD

Company Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

	Note	Total equity RM	Share capital (Note 28) RM	Non-distributable Option reserve (Note 28(d)) RM	← Distributable → Retained earnings (Note 29) RM	Treasury shares (Note 28(c)) RM
At 1 February 2024		440,697,025	380,891,436	-	60,929,102	(1,123,513)
Changes in equity for the year:						
Profit net of tax, representing total comprehensive income						
		158,592,216	-	-	158,592,216	-
Transactions with owners						
Issuance of shares arising from exercise of warrants	28(b)	5,171,028	5,907,161	-	(736,133)	-
Resale of treasury shares	28(c)	542,337	-	-	336,180	206,157
Issuance of options under ESOS	28(d)	3,192,099	-	3,192,099	-	-
Dividends for the year ended						
- 31 January 2024	37	(48,753,884)	-	-	(48,753,884)	-
- 31 January 2025	37	(97,615,831)	-	-	(97,615,831)	-
Total transactions with owners		(137,464,251)	5,907,161	3,192,099	(146,769,668)	206,157
At 31 January 2025		461,824,990	386,798,597	3,192,099	72,751,650	(917,356)

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 2026

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Operating activities				
Cash receipts from customers	1,831,992,326	1,683,407,037	67,424,377	65,870,020
Rental received	277,736	216,096	69,480	51,480
Interest received	9,782,606	8,779,865	10,273,345	9,426,549
Dividends received	-	-	125,050,000	136,800,000
Cash paid to suppliers and employees	(1,527,400,229)	(1,398,978,181)	(48,338,879)	(42,457,530)
Cash generated from operations	314,652,439	293,424,817	154,478,323	169,690,519
Interest paid	(8,354,478)	(2,218,286)	(6,683,130)	-
Net tax paid	(52,639,268)	(43,021,888)	(7,480,917)	(5,398,119)
Net cash generated from operating activities	253,658,693	248,184,643	140,314,276	164,292,400
Investing activities				
Acquisition of property, plant and equipment, right-of-use assets and bearer plants (Note a)	(41,256,925)	(54,593,867)	(2,876,563)	(5,807,718)
Advances to subsidiaries	-	-	(6,750,000)	(118,200,000)
Repayments from subsidiaries	-	-	12,750,000	99,580,000
Net cash effects on acquisition of subsidiaries (Note 16)	(10,115,202)	-	(10,124,803)	-
Acquisition of shares from non-controlling interest	-	(9,027,000)	-	(9,027,000)
Additional investment in existing subsidiaries	-	-	-	(4,900,000)
Net investment in short term funds	(45,140,109)	(26,886,419)	(23,195,786)	(37,782,466)
Net proceeds from compulsory acquisition	575,406	-	-	-
Proceeds from disposal of property, plant and equipment	96,212	3,524,582	-	112,000
Sundry advances	(2,350,000)	-	(1,250,000)	-
Net cash used in investing activities	(98,190,618)	(86,982,704)	(31,447,152)	(76,025,184)
Financing activities				
Dividends paid	(98,246,465)	(175,549,529)	(98,246,465)	(175,549,529)
Dividends paid to non-controlling interests	(28,298,000)	(28,088,000)	-	-
Proceeds from issuance of shares	9,690,654	5,171,028	9,690,654	5,171,028
Proceeds from disposal of treasury shares	2,401,736	1,687,199	2,401,736	1,687,199
Net increase in pledged bank balances	(56,344)	(948,262)	(56,344)	(1,600,000)
Repayment to related company	(5,400,000)	-	-	-
Repayment of lease liabilities	(100,000)	-	-	-
Proceeds from loans and borrowings	-	120,000,000	-	120,000,000
Repayments of loans and borrowings	(20,146,000)	(10,496,000)	(10,150,000)	-
Net cash used in financing activities	(140,154,419)	(88,223,564)	(96,360,419)	(50,291,302)

KIM LOONG RESOURCES BERHAD

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Net increase in cash and cash equivalents	15,313,656	72,978,375	12,506,705	37,975,914
Cash and cash equivalents at beginning of the year	247,333,013	174,354,638	78,012,822	40,036,908
Cash and cash equivalents at the end of the year (Note 22)	262,646,669	247,333,013	90,519,527	78,012,822

Note a: Acquisition of property, plant and equipment, right-of-use assets and bearer plants

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Current year additions to:				
- Property, plant and equipment (Note 13)	27,836,778	43,847,109	2,444,526	1,548,521
- Right-of-use assets (Note 14)	729,712	3,855,086	-	3,855,086
- Bearer plants (Note 15)	13,708,140	10,699,209	199,722	771,706
Less: depreciation capitalised (Note 15)	(924,315)	(389,038)	-	-
Financed by lease liabilities	(591,425)	-	-	-
Cash paid for prior year's acquisition	3,054,396	4,818,339	-	-
Unpaid balances of current year's acquisition included under payables	(2,910,658)	(3,095,891)	(168,575)	-
Prepayment/deposits paid in prior year	(1,059,797)	(6,126,026)	-	(367,595)
Prepayment/deposits paid in current year	1,414,094	985,079	400,890	-
Cash paid	41,256,925	54,593,867	2,876,563	5,807,718

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 2026

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, 80888 Ibrahim International Business District, 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 16 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 MFRS Accounting Standards, IFRS Accounting Standards 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 2025, the Group and the Company adopted the following Amendments mandatory for annual financial periods beginning on or after 1 January 2025:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025

The Amendments above did not have any material impact on the financial statements in the year of initial adoption.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

2. Material accounting policy information (cont'd)

2.3 Standards, Amendments and Annual Improvements issued but not yet effective

The Standards, Amendments and Annual Improvements that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these Standards, Amendments and Annual Improvements, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments: Disclosures	
- Classification and Measurement of Financial Instruments	1 January 2026
- Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards-Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors expect that the adoption of the above Standards, Amendments and Annual Improvements will have no material impact on the financial statements in the year of initial application except for the changes in presentation and disclosures of financial information arising from the adoption of the Standards, Amendments and Annual Improvements as discussed below:

MFRS 18 Presentation and Disclosure in Financial Statement

MFRS 18 will replace MFRS 101 Presentation of Financial Statements. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows and some requirements of MFRS 101 have been moved to MFRS 108 Basis of Preparation of Financial Statements.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged.

Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

2. Material accounting policy information (cont'd)

2.3 Standards, Amendments and Annual Improvements issued but not yet effective (cont'd)

MFRS 18 Presentation and Disclosure in Financial Statement (cont'd)

MFRS 18 additional requirements are as follows: (cont'd)

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statements of profit or loss, the statements of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

2. Material accounting policy information (cont'd)

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.

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

2. Material accounting policy information (cont'd)

2.6 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Impairment of financial assets (cont'd)

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, loans and borrowings and lease liabilities.

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 for milling operations: purchase costs on a first-in first-out basis.
- Consumables and spare parts for plantation operations: purchase costs on a weighted average 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

2. Material accounting policy information (cont'd)

2.8 Revenue recognition

(a) Sale of goods

The Group and the Company contract with its customers for sales of oil palm products. 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).

(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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

2. Material accounting policy information (cont'd)

2.9 Leases (cont'd)

(ii) As a lessee (cont'd)

- 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) 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

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

Key sources of estimation uncertainty (cont'd)

(ii) 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 and bearer plants

The carrying amount of property, plant and equipment and bearer plants of the Group with indicators of impairment as at 31 January 2026 was RM866,444 (2025: RM1,149,860). 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 RM4,813,003 (2025: RM5,840,887). 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 RM179,443 (2025: RM Nil) and a reversal of previously recognised impairment losses of RM416,660 (2025: 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 with indicators of impairment as at 31 January 2026 was RM170,366 (2025: RM170,366). 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 (2025: RM7,279,295). 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, no further impairment losses were recognised in respect of the Company's investment in subsidiaries. Further details of the impairment losses are disclosed in Note 16.

4. Revenue

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Revenue from contracts with customers:				
Fresh fruit bunches	37,707,356	41,951,895	56,369,845	56,468,460
Palm oil milling products	1,773,179,711	1,631,489,714	-	-
Supply of electricity	12,970,629	10,579,784	-	-
	1,823,857,696	1,684,021,393	56,369,845	56,468,460
Timing of revenue recognition				
At a point in time	1,810,887,067	1,673,441,609	56,369,845	56,468,460
Over time	12,970,629	10,579,784	-	-
	1,823,857,696	1,684,021,393	56,369,845	56,468,460

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

5. Cost of sales

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cost of goods sold	1,499,089,487	1,385,608,613	24,957,511	22,586,790

6. Other items of income

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Interest income from:				
- deposits/short term funds	9,662,371	8,957,739	4,364,538	3,316,525
- subsidiaries	-	-	253,272	4,195,070
- others	34,500	34,500	34,500	34,500
	9,696,871	8,992,239	4,652,310	7,546,095
Rental income	277,736	216,096	69,480	51,480
Net gain on compulsory acquisition by government	-	523,593	-	-
Sundry income	2,152,282	2,954,144	122,149	128,720
Commission income	-	-	1,965,099	1,883,195
Management fee income	203,688	169,740	9,381,840	7,851,915
Gain on disposal of property, plant and equipment	33,173	2,749,061	-	-
Gain on fair value change in biological assets	-	1,643,000	-	550,000
Fair value gain on derivatives				
- realised (net)	3,319,445	2,722,387	-	133,460
- unrealised	269,250	21,350	-	-
Gains on fair value changes in short term funds	9,098,724	5,098,484	4,690,306	1,723,950
Reversal of impairment losses on property, plant and equipment (Note 13)	416,660	-	-	-
Bad debts recovered	-	-	-	1,900,000
Dividend income from subsidiaries	-	-	125,050,000	136,800,000
	25,467,829	25,090,094	145,931,184	158,568,815

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

7. Finance costs

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Interest expense on:				
- loans and borrowings	7,302,732	3,312,402	5,646,988	1,104,460
- lease liabilities (Note 26)	9,148	-	-	-
Less: Interest expenses reimbursed from subsidiaries	-	-	(5,646,988)	(1,104,460)
	7,311,880	3,312,402	-	-

8. Profit before tax

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Auditors' remuneration				
- Statutory audit	544,000	501,000	95,000	90,000
- Other services	9,000	9,000	9,000	9,000
Employee benefit expenses (Note 9)	95,698,847	84,899,083	28,728,885	24,724,873
Depreciation of:				
- property, plant and equipment (Note 13)	28,461,095	27,435,702	992,171	872,453
- right-of-use assets (Note 14)	5,666,846	5,795,893	2,989,296	2,971,313
- bearer plants (Note 15)	9,962,553	9,988,090	1,972,587	1,974,673
Write off of:				
- property, plant and equipment	149,052	957,148	68,066	8,964
- bearer plants	-	2	-	-
- bad debts	3,500	4,874	-	-
- inventories (Note 17)	277	-	277	-
Write down of inventories (Note 17)	53,490	224,327	-	-
Allowance for impairment losses on:				
- property, plant and equipment (Note 13)	179,443	-	-	-
Fair value (gains)/losses on derivatives (Note 20)				
- realised	(3,340,975)	(2,745,550)	-	(134,800)
- unrealised	276,425	(21,350)	-	-
	(3,064,550)	(2,766,900)	-	(134,800)
Rental of premises	304,801	297,631	209,431	209,431
Loss on disposal of property, plant and equipment	92,935	11,129	-	4,560
Loss/(gain) on fair value changes in biological assets (Note 18)	798,000	(1,643,000)	129,000	(550,000)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

9. Employee benefit expenses

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Salaries, wages and bonuses	85,493,452	74,923,994	21,350,827	18,938,494
Defined contribution plan	7,327,505	6,684,029	2,563,379	2,447,472
Social security costs	1,014,725	827,115	79,146	75,349
Human Resources Development ("HRD") fund	343,258	305,177	94,742	78,260
Share options granted under ESOS	4,598,875	3,192,099	4,598,875	3,192,099
Provision for unutilised leave (Note 24(c))	41,916	(6,801)	41,916	(6,801)
Total employee benefit expenses	98,819,731	85,925,613	28,728,885	24,724,873
Amount capitalised in property, plant and equipment (Note 13)	(37,070)	-	-	-
Amount capitalised in bearer plants (Note 15)	(3,083,814)	(1,026,530)	-	-
Total employee benefit expenses recognised in profit or loss	95,698,847	84,899,083	28,728,885	24,724,873

Included in employee benefit expenses of the Group and of the Company are Executive Directors' remuneration amounting to RM11,702,625 (2025: RM10,297,118) and RM8,593,919 (2025: RM7,122,787) respectively as further disclosed in Note 10.

10. Directors' remuneration

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Directors of the Company				
Executive:				
Fees	352,000	352,000	-	-
Salaries and other emoluments	9,282,600	7,973,700	6,820,200	5,513,500
Defined contribution plan	975,346	1,142,755	698,896	796,480
Social security costs	21,427	19,027	3,571	3,171
Share options granted under ESOS	1,071,252	809,636	1,071,252	809,636
	11,702,625	10,297,118	8,593,919	7,122,787
Estimated monetary value of benefits-in-kind	53,700	48,430	52,217	46,594
	11,756,325	10,345,548	8,646,136	7,169,381
Non-Executive:				
Fees	386,250	370,800	386,250	370,800
Other emoluments	7,500	7,500	7,500	7,500
	393,750	378,300	393,750	378,300
	12,150,075	10,723,848	9,039,886	7,547,681

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11. Taxation

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Income tax:				
- Current year	58,993,853	52,406,442	5,999,000	7,564,000
- Underprovision in prior year	47,778	126,385	45,780	19,763
	59,041,631	52,532,827	6,044,780	7,583,763
Deferred tax (Note 27):				
- Relating to origination and reversal of temporary differences	6,183,602	7,751,862	(1,004,856)	(687,896)
- (Over)/underprovision in prior year	(10,000)	461,000	(3,000)	1,000
	6,173,602	8,212,862	(1,007,856)	(686,896)
Tax expense for the year	65,215,233	60,745,689	5,036,924	6,896,867

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2025: 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:

	2026 RM	2025 RM
Group		
Profit before tax	271,369,199	255,328,472
Taxation at Malaysian statutory tax rate of 24% (2025: 24%)	65,128,608	61,278,833
Tax effects of:		
- Expenses not deductible for tax purposes	3,177,070	3,102,220
- Income not subject to tax	(2,629,352)	(2,270,438)
- Deferred tax assets not recognised during the year on deductible temporary differences	188,674	188,142
- Double deductions	(8,352)	(102,994)
- Reinvestment allowances	(747,396)	(2,113,136)
- Deferred tax assets previously recognised on unabsorbed capital allowances, now derecognised	68,203	75,677
Underprovision of income tax expense in prior year	47,778	126,385
(Over)/underprovision of deferred tax expense in prior year	(10,000)	461,000
Tax expense for the year	65,215,233	60,745,689

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FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

11. Taxation (cont'd)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense of the Group and of the Company is as follows: (cont'd)

	2026 RM	2025 RM
Company		
Profit before tax	146,144,006	165,489,083
Taxation at Malaysian statutory tax rate of 24% (2025: 24%)	35,074,561	39,717,380
Tax effects of:		
- Expenses not deductible for tax purposes	1,497,829	1,181,629
- Income not subject to tax	(31,578,246)	(34,022,905)
Underprovision of income tax expense in prior year	45,780	19,763
(Over)/underprovision of income tax expense in prior year	(3,000)	1,000
Tax expense for the year	5,036,924	6,896,867

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.

	2026	Group 2025
Profit net of tax attributable to owners of the Company (RM)	168,501,552	161,421,953
Weighted average number of ordinary shares in issue	981,884,251	975,325,389
Basic earnings per share (sen)	17.16	16.55

(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:

	2026	Group 2025
Profit net of tax attributable to owners of the Company (RM)	168,501,552	161,421,953
Weighted average number of ordinary shares in issue	981,884,251	975,325,389
Effects of dilution arising from:		
- unexercised warrants	-	1,579,079
- unexercised share options under ESOS	421,191	259,002
Adjusted weighted average number of ordinary shares in issue	982,305,442	977,163,470
Diluted earnings per share (sen)	17.15	16.52

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13. Property, plant and equipment

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Construction in progress RM	Total RM
Cost							
At 1 February 2025	22,134,000	120,114,392	436,611,698	19,859,278	24,765,381	12,665,540	636,150,289
Additions	-	801,214	14,701,082	565,857	1,724,417	10,044,208	27,836,778
Acquisition of subsidiary	16,000,000	-	-	42,376	65,000	518,887	16,626,263
Disposals	-	-	(268,131)	(21,234)	(273,712)	-	(563,077)
Written off	-	(102,680)	(1,635,263)	(257,974)	-	-	(1,995,917)
Expensed off	-	-	-	-	-	(280,507)	(280,507)
Reclassifications	-	3,046,185	6,659,036	-	212,573	(9,917,794)	-
At 31 January 2026	38,134,000	123,859,111	456,068,422	20,188,303	26,493,659	13,030,334	677,773,829
Accumulated depreciation							
At 1 February 2025	-	68,087,813	245,792,295	14,278,714	13,217,112	-	341,375,934
Charge for the year	-	4,974,895	21,492,645	1,096,637	1,566,735	-	29,130,912
Acquisition of subsidiary	-	-	-	980	2,302	-	3,282
Disposals	-	-	(268,127)	(12,730)	(126,246)	-	(407,103)
Written off	-	(51,188)	(795,375)	(209,635)	-	-	(1,056,198)
Reclassifications	-	526,452	(588,541)	-	62,089	-	-
At 31 January 2026	-	73,537,972	265,632,897	15,153,966	14,721,992	-	369,046,827
Accumulated impairment losses							
At 1 February 2025	-	-	5,252,143	102,735	-	-	5,354,878
Additions (Note 8)	-	-	83,275	-	-	96,168	179,443
Reversals (Note 6)	-	-	(416,660)	-	-	-	(416,660)
Written off	-	-	(790,667)	-	-	-	(790,667)
At 31 January 2026	-	-	4,128,091	102,735	-	96,168	4,326,994
Net carrying amount							
At 31 January 2026	38,134,000	50,321,139	186,307,434	4,931,602	11,771,667	12,934,166	304,400,008

Notes to the Financial Statements

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(CONT'D)

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

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Construction in progress RM	Total RM
Cost							
At 1 February 2024	22,134,000	118,248,491	40,712,912	18,949,592	23,665,705	17,974,136	608,095,836
Additions	-	220,031	14,536,470	1,741,718	2,233,204	25,115,686	43,847,109
Disposals	-	-	(6,262,271)	(7,800)	(1,133,528)	-	(7,403,599)
Written off	-	(26,864)	(7,489,877)	(824,232)	-	-	(8,340,973)
Expensed off	-	-	-	-	-	(48,084)	(48,084)
Reclassifications	-	1,672,734	28,703,464	-	-	(30,376,198)	-
At 31 January 2025	22,134,000	120,114,392	436,611,698	19,859,278	24,765,381	12,665,540	636,150,289
Accumulated depreciation							
At 1 February 2024	-	63,126,395	234,173,194	13,928,035	12,504,920	-	323,732,544
Charge for the year	-	4,984,113	20,095,502	1,027,928	1,611,794	-	27,719,337
Disposals	-	-	(3,531,250)	(3,653)	(899,602)	-	(4,434,505)
Written off	-	(22,695)	(4,945,151)	(673,596)	-	-	(5,641,442)
At 31 January 2025	-	68,087,813	245,792,295	14,278,714	13,217,112	-	341,375,934
Accumulated impairment losses							
At 1 February 2024	-	-	9,066,391	213,314	-	-	9,279,705
Disposals	-	-	(2,182,444)	-	-	-	(2,182,444)
Written off	-	-	(1,631,804)	(110,579)	-	-	(1,742,383)
At 31 January 2025	-	-	5,252,143	102,735	-	-	5,354,878
Net carrying amount							
At 31 January 2025	22,134,000	52,026,579	185,567,260	5,477,829	11,548,269	12,665,540	289,419,477

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(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
Cost						
At 1 February 2025	12,395,655	5,315,402	2,708,872	3,802,847	80,460	24,303,236
Additions	-	852,320	172,185	396,215	1,023,806	2,444,526
Written off	(102,680)	-	(84,673)	-	-	(187,353)
Reclassifications	524,682	95,361	-	-	(620,043)	-
At 31 January 2026	12,817,657	6,263,083	2,796,384	4,199,062	484,223	26,560,409
Accumulated depreciation						
At 1 February 2025	3,888,179	3,585,030	2,405,856	1,573,736	-	11,452,801
Charge for the year	244,546	324,138	94,750	328,737	-	992,171
Written off	(51,188)	-	(68,099)	-	-	(119,287)
Reclassifications	(63,386)	63,386	-	-	-	-
At 31 January 2026	4,018,151	3,972,554	2,432,507	1,902,473	-	12,325,685
Net carrying amount						
At 31 January 2026	8,799,506	2,290,529	363,877	2,296,589	484,223	14,234,724

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

Company	Buildings RM	Plant and machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Construction in progress RM	Total RM
Cost						
At 1 February 2024	12,395,655	4,728,866	2,654,819	3,552,021	11,853	23,343,214
Additions	-	574,683	99,117	794,261	80,460	1,548,521
Disposals	-	-	-	(543,435)	-	(543,435)
Written off	-	-	(45,064)	-	-	(45,064)
Reclassifications	-	11,853	-	-	(11,853)	-
At 31 January 2025	12,395,655	5,315,402	2,708,872	3,802,847	80,460	24,303,236
Accumulated depreciation						
At 1 February 2024	3,642,641	3,327,806	2,361,342	1,711,534	-	11,043,323
Charge for the year	245,538	257,224	80,614	289,077	-	872,453
Disposals	-	-	-	(426,875)	-	(426,875)
Written off	-	-	(36,100)	-	-	(36,100)
At 31 January 2025	3,888,179	3,585,030	2,405,856	1,573,736	-	11,452,801
Net carrying amount						
At 31 January 2025	8,507,476	1,730,372	303,016	2,229,111	80,460	12,850,435

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(CONT'D)

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Depreciation charge or the year:				
Amount capitalised in bearer plants (Note 15)	669,817	283,635	-	-
Amount recognised in profit or loss (Note 8)	28,461,095	27,435,702	992,171	872,453
	29,130,912	27,719,337	992,171	872,453
Included in the additions to property, plant and equipment during the financial year is:				
Employee benefit expenses (Note 9)	37,070	-	-	-

14. Right-of-use assets

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cost				
At beginning of the financial year	388,947,519	385,148,201	189,767,553	185,912,467
Additions	729,712	3,855,086	-	3,855,086
Compulsory acquisition by government	-	(55,768)	-	-
At end of the financial year	389,677,231	388,947,519	189,767,553	189,767,553
Accumulated depreciation				
At beginning of the financial year	65,226,224	59,343,672	23,391,692	20,420,379
Depreciation charge for the year	5,921,344	5,901,296	2,989,296	2,971,313
Compulsory acquisition by government	-	(18,744)	-	-
At end of the financial year	71,147,568	65,226,224	26,380,988	23,391,692
Net carrying amount				
At end of the financial year	318,529,663	323,721,295	163,386,565	166,375,861
Depreciation charge for the year:				
Amount capitalised in bearer plants (Note 15)	254,498	105,403	-	-
Amount recognised in profit or loss (Note 8)	5,666,846	5,795,893	2,989,296	2,971,313
	5,921,344	5,901,296	2,989,296	2,971,313

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(CONT'D)

15. Bearer plants

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cost				
At beginning of the financial year	228,073,252	228,480,472	40,265,182	39,493,476
Additions	13,708,140	10,699,209	199,722	771,706
Written off	(3,175,404)	(11,036,832)	-	-
Compulsory acquisition by government	-	(69,597)	-	-
At end of the financial year	238,605,988	228,073,252	40,464,904	40,265,182
Accumulated depreciation				
At beginning of the financial year	94,818,071	95,921,619	12,546,599	10,571,926
Depreciation for the year (Note 8)	9,962,553	9,988,090	1,972,587	1,974,673
Written off	(3,175,404)	(11,036,830)	-	-
Compulsory acquisition by government	-	(54,808)	-	-
At end of the financial year	101,605,220	94,818,071	14,519,186	12,546,599
Accumulated impairment losses				
At beginning and end of the financial year	486,009	486,009	-	-
Net carrying amount				
At end of the financial year	136,514,759	132,769,172	25,945,718	27,718,583
Included in the additions to bearer plants during the financial year are:				
Depreciation of property, plant and equipment (Note 13)	669,817	283,635	-	-
Depreciation of right-of-use assets (Note 14)	254,498	105,403	-	-
	924,315	389,038	-	-
Employee benefit expenses (Note 9)	3,083,814	1,026,530	-	-

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16. Investment in subsidiaries

	2026 RM	Company 2025 RM
Unquoted shares, at cost		
At beginning of the financial year	68,325,189	54,398,189
Additions	10,124,803	13,927,000
At end of the financial year	78,449,992	68,325,189
Accumulated impairment losses		
At beginning and end of the financial year	7,279,295	7,279,295
Net carrying amount		
At end of the financial year	71,170,697	61,045,894

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of business/ Country of incorporation	Principal activities	Proportion of effective ownership interest (%)	
			2026	2025
Held by the Company:				
Suhenson Estate Sdn. Bhd.	Malaysia	Cultivation of oil palm	100	100
Selokan Sdn. Bhd.	Malaysia	Dormant	100	100
Kim Loong - KPD Plantations Sdn. Bhd. ("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	Dormant	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

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(CONT'D)

16. Investment in subsidiaries (cont'd)

Name of subsidiaries	Place of business/ Country of incorporation	Principal activities	Proportion of effective ownership interest (%)	
			2026	2025
<i>Held by the Company (cont'd):</i>				
Okidville Holdings Sdn. Bhd.	Malaysia	Cultivation of oil palm and investment holding	100	100
Kim Loong Palm Oil Sdn. Bhd.	Malaysia	Trading of fresh fruit bunches and investment holding	100	100
Desa Kim Loong Palm Oil Sdn. Bhd. ("DKLPO")	Malaysia	Processing and marketing of oil palm products and investment holding	70	70
Winsome Yields Sdn. Bhd.	Malaysia	Investment holding	100	100
Okidville Jaya Sdn. Bhd.	Malaysia	Dormant	100	100
Kim Loong Green Energy Sdn. Bhd. (Formerly known as Kim Loong Huatai Green Energy Sdn. Bhd.)	Malaysia	Dormant	100	N/A
Kim Loong Mills (Sarawak) Sdn. Bhd.	Malaysia	Processing and marketing of oil palm products	75	N/A
<i>Held by Kim Loong Corporation Sdn. Bhd.</i>				
Winsome Pelita (Pantu) Sdn. Bhd. ("WPP")	Malaysia	Cultivation of oil palm	60	60
Kim Loong Carus Sdn. Bhd.	Malaysia	Dormant	100	100
<i>Held by Okidville Holdings Sdn. Bhd.</i>				
Desa Okidville Sdn. Bhd. ("DOSB")	Malaysia	Cultivation of oil palm	51	51
<i>Held by Desa Kim Loong Palm Oil Sdn. Bhd.</i>				
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

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(CONT'D)

16. Investment in subsidiaries (cont'd)

Name of subsidiaries	Place of business/ Country of incorporation	Principal activities	Proportion of effective ownership interest (%)	
			2026	2025
Held by Kim Loong Palm Oil Sdn. Bhd.				
Kim Loong Palm Oil Mills Sdn. Bhd.	Malaysia	Processing and marketing of oil palm products and investment holding	100	100
Held by Kim Loong Palm Oil Mills Sdn. Bhd.				
Sungkit Enterprise Sdn. Bhd.	Malaysia	Processing and 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
Held by Winsome Yields Sdn. Bhd.				
Winsome Al-Yatama Sdn. Bhd.	Malaysia	Cultivation of oil palm	68	68
Held by Okidville Plantations Sdn. Bhd.				
Winsome Jaya Sdn. Bhd.	Malaysia	Cultivation of oil palm	67	67
Okidville Resources Sdn. Bhd.	Malaysia	Dormant	95	95
Held by Winsome Plantations Sdn. Bhd.				
Winsome Pelita (Kranggas) Sdn. Bhd.	Malaysia	Cultivation of oil palm	70	70

During the current financial year:

- (i) On 15 August 2025, the Company incorporated a wholly owned subsidiary named Kim Loong Huatai Green Energy Sdn. Bhd. (currently known as Kim Loong Green Energy Sdn. Bhd. ("KLGE")), with an issued and paid-up capital of RM2, comprising two (2) ordinary shares of RM1 each.

The intended principal activity of KLGE is renewable power and energy generation.

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(CONT'D)

16. Investment in subsidiaries (cont'd)

During the current financial year: (cont'd)

- (ii) On 22 December 2025, the Company acquired 3,750,000 ordinary shares, representing 75% equity interest in Kim Loong Mills (Sarawak) Sdn. Bhd. ("KLMS") from Kim Loong Plantations Sdn. Bhd., a related company, for a purchase consideration of RM10,000,000, paid in cash ("Acquisition").

As a result of the Acquisition, KLMS became a 75%-owned subsidiary of the Company. The intended principal activities of KLMS are processing and marketing of oil palm products.

Following the acquisition of 75% equity interest in KLMS, management assessed the nature of the transaction in accordance with MFRS 3. As substantially all of the value of the acquired entity is attributable to identifiable assets, namely freehold land, and the entity did not have substantive operating processes at the acquisition date, the transaction does not constitute a business combination. Accordingly, the acquisition has been accounted for as an asset acquisition, and no goodwill has been recognised.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value RM
Non-current assets	16,622,981
Current assets	3,412,693
Current liabilities	(5,734,022)
Non-current liabilities	(861,973)
Net assets	13,439,679
Less: Net assets attributable to non-controlling interests	(3,314,876)
Total purchase consideration paid by the Company	10,124,803
Net cash effects on acquisition of subsidiaries:	RM
Cash paid for acquisition of shares	10,000,002
Incidental costs incurred	124,801
Total purchase consideration paid by the Company	10,124,803
Less: Cash and cash equivalents acquired	(9,601)
Cash outflow, net of cash and cash equivalents acquired	10,115,202

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16. 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.

(i) Summarised statements of comprehensive income

	DOSB RM	KL-KPD RM	DKLPO RM	WPP RM	Total RM
2026					
Revenue	59,216,637	28,844,441	633,814,081	37,303,397	759,178,556
Profit before tax	38,358,773	20,715,786	45,036,243	16,178,339	120,289,141
Profit net of tax, representing total comprehensive income	29,400,100	15,976,826	34,541,627	12,255,499	92,174,052
Profit net of tax, representing total comprehensive income attributable to:					
- owners of the Company	14,994,051	11,183,778	24,179,139	7,353,300	57,710,268
- non-controlling interests	14,406,049	4,793,048	10,362,488	4,902,199	34,463,784
	29,400,100	15,976,826	34,541,627	12,255,499	92,174,052
2025					
Revenue	46,192,405	29,785,763	570,726,142	37,130,780	683,835,090
Profit before tax	25,999,991	20,776,586	43,349,937	16,085,324	106,211,838
Profit net of tax, representing total comprehensive income	19,865,843	15,984,679	33,170,694	12,154,995	81,176,211
Profit net of tax, representing total comprehensive income attributable to:					
- owners of the Company	10,131,580	11,189,275	23,219,486	7,292,997	51,833,338
- non-controlling interests	9,734,263	4,795,404	9,951,208	4,861,998	29,342,873
	19,865,843	15,984,679	33,170,694	12,154,995	81,176,211

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

16. 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

	DOSB RM	KL-KPD RM	DKLPO RM	WPP RM	Total RM
2026					
Non-current assets	68,631,234	40,325,344	76,365,198	29,129,473	214,451,249
Current assets	64,049,785	54,060,196	118,830,272	3,882,553	240,822,806
Total assets	132,681,019	94,385,540	195,195,470	33,012,026	455,274,055
Current liabilities	7,041,642	3,563,854	47,729,177	14,913,375	73,248,048
Non-current liabilities	11,251,949	9,479,052	6,104,265	14,983,560	41,818,826
Total liabilities	18,293,591	13,042,906	53,833,442	29,896,935	115,066,874
Net assets	114,387,428	81,342,634	141,362,028	3,115,091	340,207,181
Equity attributable to:					
- owners of the Company	58,337,588	56,939,844	98,953,420	1,869,055	216,099,907
- non-controlling interests	56,049,840	24,402,790	42,408,608	1,246,036	124,107,274
	114,387,428	81,342,634	141,362,028	3,115,091	340,207,181
2025					
Non-current assets	64,219,105	38,539,457	74,184,184	32,150,900	209,093,646
Current assets	57,898,613	54,397,368	106,984,474	5,132,565	224,413,020
Total assets	122,117,718	92,936,825	181,168,658	37,283,465	433,506,666
Current liabilities	3,876,233	3,567,368	38,297,879	24,683,153	70,424,633
Non-current liabilities	10,254,157	9,003,649	6,050,378	17,720,720	43,028,904
Total liabilities	14,130,390	12,571,017	44,348,257	42,403,873	113,453,537
Net assets/(liabilities)	107,987,328	80,365,808	136,820,401	(5,120,408)	320,053,129
Equity attributable to:					
- owners of the Company	55,073,537	56,256,066	95,774,281	(3,072,245)	204,031,639
- non-controlling interests	52,913,791	24,109,742	41,046,120	(2,048,163)	116,021,490
	107,987,328	80,365,808	136,820,401	(5,120,408)	320,053,129

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

16. 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
2026					
Net cash generated from operating activities	34,522,888	16,809,112	41,566,656	18,387,195	111,285,851
Net cash used in investing activities	(8,394,071)	(1,406,859)	(15,863,665)	(143,628)	(25,808,223)
Net cash used in financing activities	(23,000,000)	(15,000,000)	(30,000,000)	(19,732,000)	(87,732,000)
Net increase/ (decrease) in cash and cash equivalents	3,128,817	402,253	(4,297,009)	(1,488,433)	(2,254,372)
Cash and cash equivalents at beginning of the year	14,659,287	16,590,760	43,260,996	2,393,805	76,904,848
Cash and cash equivalents at end of the year	17,788,104	16,993,013	38,963,987	905,372	74,650,476
2025					
Net cash generated from operating activities	23,683,025	18,097,295	43,401,244	18,608,762	103,790,326
Net cash used in investing activities	(4,664,702)	(1,343,267)	(3,155,789)	(544,727)	(9,708,485)
Net cash used in financing activities	(18,000,000)	(18,000,000)	(34,348,262)	(16,732,000)	(87,080,262)
Net increase/ (decrease) in cash and cash equivalents	1,018,323	(1,245,972)	5,897,193	1,332,035	7,001,579
Cash and cash equivalents at beginning of the year	13,640,964	17,836,732	37,363,803	1,061,770	69,903,269
Cash and cash equivalents at end of the year	14,659,287	16,590,760	43,260,996	2,393,805	76,904,848

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(CONT'D)

16. 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)

(iv) Dividends paid to non-controlling interests

	DOSB RM	KL-KPD RM	DKLPO RM	WPP RM	Total RM
2026	11,270,000	4,500,000	9,000,000	1,608,000	26,378,000
2025	8,820,000	5,400,000	10,500,000	1,608,000	26,328,000

17. Inventories

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cost				
Raw materials	175,328	264,491	-	-
Finished goods	47,679,779	20,513,353	-	-
Building materials, supplies, spare parts and consumables	16,908,029	14,513,374	436,122	702,358
	64,763,136	35,291,218	436,122	702,358
Net realisable value				
Finished goods	75,176	3,300,170	-	-
	64,838,312	38,591,388	436,122	702,358
<u>Recognised in profit or loss:</u>				
Inventories recognised as cost of sales (Note 5)	1,499,089,487	1,385,608,613	24,957,511	22,586,790
Write-down to net realisable value (Note 8)	53,490	224,327	-	-
Write off of inventories (Note 8)	277	-	277	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

18. Biological assets

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At fair value				
Fresh fruit bunches				
At beginning of the financial year	6,201,000	4,558,000	1,282,000	732,000
Changes in fair value less costs to sell (Note 8)	(798,000)	1,643,000	(129,000)	550,000
At end of the financial year	5,403,000	6,201,000	1,153,000	1,282,000

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 330,000 MT (2025: 310,200 MT) and 65,900 MT (2025: 66,600 MT) of FFB respectively.

As at 31 January 2026, 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 RM642,000 (2025: RM737,000) and RM144,000 (2025: RM156,000) respectively.

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

	Group		Company	
	2026	2025	2026	2025
<u>Oil palms</u>				
FFB that are expected to be harvested (MT)	9,924	9,944	2,186	2,077
Average FFB selling price (RM/MT)	647	741	658	751

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

19. Trade and other receivables

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Non-current				
Other receivables				
Amount owing from subsidiary companies	-	-	98,950,000	112,500,000
Current				
Trade receivables				
Third parties	39,348,244	42,249,015	-	-
Amount owing from subsidiary companies	-	-	4,482,130	4,072,446
Amount owing from related companies	16,974	14,145	16,974	14,145
	39,365,218	42,263,160	4,499,104	4,086,591
Other receivables				
Third parties	12,849,174	9,241,962	9,601,851	6,238,268
Refundable deposits	1,779,830	898,124	100,372	100,372
Amount owing from holding company	4,500	4,500	4,500	4,500
Amount owing from subsidiary companies	-	-	20,356,915	12,926,500
Amount owing from related companies	38,941	74,889	20,750	33,298
	14,672,445	10,219,475	30,084,388	19,302,938
Less: Allowance for impairment losses	(1,257,696)	(1,257,696)	-	-
	13,414,749	8,961,779	30,084,388	19,302,938
Total trade and other receivables (current)	52,779,967	51,224,939	34,583,492	23,389,529
Total trade and other receivables (current and non-current)	52,779,967	51,224,939	133,533,492	135,889,529

(a) Trade receivables

The Group's normal trade credit terms are less than 60 days (2025: less than 60 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Neither past due nor impaired	39,365,218	42,263,160	4,499,104	4,086,591

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

19. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

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) Amounts owing from holding and related companies (non-trade)

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

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

Included in the amounts owing from subsidiary companies is RM119,200,000 (2025: RM125,250,000) which is unsecured and bears interest of 4.54% - 7.40% per annum (2025: 4.76% - 7.65% per annum).

All other balances are unsecured, non-interest bearing and repayable on demand.

(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 Individually impaired		Company Individually impaired	
	2026 RM	2025 RM	2026 RM	2025 RM
Other receivables-nominal amounts	1,257,696	1,257,696	-	-
Less: Allowance for impairment	(1,257,696)	(1,257,696)	-	-
	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At beginning and end of the financial year	1,257,696	1,257,696	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

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20. Derivatives

	2026		2025	
	Contract/ Notional amount RM	Fair value (liabilities)/ assets RM	Contract/ Notional amount RM	Fair value assets RM
Group				
Derivatives carried at fair value through profit or loss				
- Commodity futures	50,932,675	(545,675)	12,854,900	21,350
- Commodity swaps	8,015,000	269,250	-	-
	58,947,675	(276,425)	12,854,900	21,350

Crude palm oil - commodity futures and swaps

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	
	2026 RM	2025 RM	2026 RM	2025 RM
Fair value gains arising from:				
- Commodity futures	2,795,300	2,636,900	-	134,800
- Commodity swaps	269,250	130,000	-	-
Amount recognised in profit or loss (Note 8)	3,064,550	2,766,900	-	134,800

21. Short term funds

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At fair value through profit or loss				
Short term funds	329,545,592	275,306,759	180,282,624	152,396,532

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

22. Cash and bank balances

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash on hand and cash at banks	154,903,013	104,821,995	51,175,871	8,612,822
Time deposits with licensed banks	109,400,000	144,111,018	41,000,000	71,000,000
Cash and bank balances	264,303,013	248,933,013	92,175,871	79,612,822
Less: Pledged bank balances	(1,656,344)	(1,600,000)	(1,656,344)	(1,600,000)
Cash and cash equivalents	262,646,669	247,333,013	90,519,527	78,012,822

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 RM142,121,227 (2025: RM93,539,962) and RM48,429,402 (2025: RM5,778,562) 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 2.50% (2025: 2.76%) per annum and 2.50% (2025: 2.75%) per annum respectively.

Included in the cash and bank balances of the Group and of the Company is an amount of RM1,656,344 (2025: RM1,600,000) which is pledged to a licensed bank as security for credit facilities granted to the Company.

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	
	2026 % per annum	2025 % per annum	2026 % per annum	2025 % per annum
Time deposits with licensed banks	3.23	3.50	3.23	3.57

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

23. Changes in liabilities arising from financing activities

Group	At 1 February 2025	Additions	Interest expense	Repayments	Reclassifications	At 31 January 2026
	RM					RM
Current	5,000,000	-	-	-	-	5,000,000
Revolving credit	5,712,000	-	-	(5,712,000)	5,712,000	5,712,000
Term loan 3	4,284,000	-	-	(4,284,000)	4,284,000	4,284,000
Term loan 4	10,150,000	-	-	(10,150,000)	20,300,000	20,300,000
Medium Term Notes	-	62,375	9,148	(100,000)	92,013	63,536
Lease liabilities						
Non-current	14,772,000	-	-	-	(5,712,000)	9,060,000
Term loan 3	10,722,000	-	-	-	(4,284,000)	6,438,000
Term loan 4	109,850,000	-	-	-	(20,300,000)	89,550,000
Medium Term Notes	-	529,050	-	-	(92,013)	437,037
Lease liabilities						
Total liabilities from financing activities	160,490,000	591,425	9,148	(20,246,000)	-	140,844,573
Group	At 1 February 2024	Drawdown	Interest expense	Repayments	Reclassifications	At 31 January 2025
	RM					RM
Current	5,500,000	-	-	(500,000)	-	5,000,000
Revolving credit	5,712,000	-	-	(5,712,000)	5,712,000	5,712,000
Term loan 3	4,284,000	-	-	(4,284,000)	4,284,000	4,284,000
Term loan 4	-	10,150,000	-	-	-	10,150,000
Medium Term Notes						
Non-current	20,484,000	-	-	-	(5,712,000)	14,772,000
Term loan 3	15,006,000	-	-	-	(4,284,000)	10,722,000
Term loan 4	-	109,850,000	-	-	-	109,850,000
Medium Term Notes						
Total liabilities from financing activities	50,986,000	120,000,000	-	(10,496,000)	-	160,490,000

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

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

Company	At 1 February	Drawdown	Repayments	Reclassifications	At 31 January
	2025				2026
	RM	RM	RM	RM	RM
Current					
Medium Term Notes	10,150,000	-	(10,150,000)	20,300,000	20,300,000
Non-current					
Medium Term Notes	109,850,000	-	-	(20,300,000)	89,550,000
Total liabilities from financing activities	120,000,000	-	(10,150,000)	-	109,850,000
Company	At 1 February	Drawdown	Repayments	Reclassifications	At 31 January
	2024				2025
	RM	RM	RM	RM	RM
Current					
Medium Term Notes	-	10,150,000	-	-	10,150,000
Non-current					
Medium Term Notes	-	109,850,000	-	-	109,850,000
Total liabilities from financing activities	-	120,000,000	-	-	120,000,000

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

24. Trade and other payables

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Current				
Trade payables				
Third parties	74,234,676	58,662,055	673,817	873,031
Amount owing to related companies	1,066,094	1,086,333	-	-
	75,300,770	59,748,388	673,817	873,031
Other payables				
Sundry payables	4,262,214	5,220,229	463,496	313,980
Deposits and payments received in advance	742,417	1,234,942	355,252	468,559
Amount owing to subsidiary	-	-	-	2,000,000
Provisions	585,332	543,416	585,332	543,416
Accruals	31,525,505	26,403,145	6,532,764	6,670,780
	37,115,468	33,401,732	7,936,844	9,996,735
Total trade and other payables	112,416,238	93,150,120	8,610,661	10,869,766

(a) Trade payables

These amounts are non-interest bearing and normally settled on terms of up to 60 days (2025: 60 days).

(b) Amount owing to subsidiary

The amount owing to subsidiary is unsecured, non-interest bearing and repayable on demand.

(c) Provisions

	Unutilised annual leave RM
Group and Company	
At 1 February 2024	550,217
Reduction (Note 9)	(6,801)
At 31 January 2025 and 1 February 2025	543,416
Additions (Note 9)	41,916
At 31 January 2026	585,332

Provision for unutilised annual leave

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

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25. Loans and borrowings

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Current				
Secured:				
Revolving credit	5,000,000	5,000,000	-	-
Term loan 3	5,712,000	5,712,000	-	-
Term loan 4	4,284,000	4,284,000	-	-
Medium Term Notes	20,300,000	10,150,000	20,300,000	10,150,000
	35,296,000	25,146,000	20,300,000	10,150,000
Non-current				
Secured:				
Term loan 3	9,060,000	14,772,000	-	-
Term loan 4	6,438,000	10,722,000	-	-
Medium Term Notes	89,550,000	109,850,000	89,550,000	109,850,000
	105,048,000	135,344,000	89,550,000	109,850,000
	140,344,000	160,490,000	109,850,000	120,000,000

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
On demand or within one year	35,296,000	25,146,000	20,300,000	10,150,000
More than 1 year and less than 2 years	30,296,000	30,296,000	20,300,000	20,300,000
More than 2 years and less than 5 years	55,902,000	76,898,000	50,400,000	61,400,000
More than 5 years	18,850,000	28,150,000	18,850,000	28,150,000
	140,344,000	160,490,000	109,850,000	120,000,000

During the previous financial year, the Group and the Company issued RM120 million in Medium Term Notes ("MTN") under its unrated RM500 million MTN Programme. Further details are as follows:

Series	Maturity	Coupon rate % per annum	Group and Company	
			2026 RM	2025 RM
1	November 2029	COF + 1%	44,500,000	50,000,000
2	November 2032	COF + 1%	65,350,000	70,000,000
			109,850,000	120,000,000

Notes to the Financial Statements

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(CONT'D)

25. Loans and borrowings (cont'd)

The proceeds from the MTN Programme are intended to be used for the Group's working capital, capital expenditure, and general corporate funding requirements.

The MTN is secured by a first-party assignment and charge over the Company's Debt Service Reserve Account ("DSRA"), including all monies standing to the credit of the DSRA from time to time, as well as permitted investments as defined in the Assignment and Charge (DSRA).

The other facilities extended by financial institutions are secured by a corporate guarantee provided by the Company (Note 33(a)).

MTN series 1 is repayable over 8 equal half-yearly instalments of RM5,500,000, commencing in November 2026, with a final instalment of RM6,000,000 in November 2029.

MTN series 2 is repayable over 14 equal half-yearly instalments of RM4,650,000, commencing in November 2026, with a final instalment of RM4,900,000 in November 2032.

Term loan 3 is repayable over 83 equal monthly instalments of RM476,000, commencing in September 2021, with a final instalment of RM492,000 in August 2028.

Term loan 4 is repayable over 83 equal monthly instalments of RM357,000, commencing in August 2021, with a final instalment of RM369,000 in July 2028.

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

	Group		Company	
	2026 % per annum	2025 % per annum	2026 % per annum	2025 % per annum
Interest rates				
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	COF + 1%	COF + 1%	-	-
Medium Term Notes	COF + 1%	COF + 1%	COF + 1%	COF + 1%

As at the end of the financial year, the base lending rate ("BLR") ranged from 6.45% to 6.51% (2025: 6.70% to 6.76%) per annum and the cost of funds ("COF") ranged from 3.44% to 3.54% (2025: 3.69% to 4.09%) per annum.

Notes to the Financial Statements

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(CONT'D)

26. Lease liabilities

	2026 RM	Group 2025 RM
Current		
Lease liabilities	63,536	-
Non-current		
Lease liabilities	437,037	-
Total lease liabilities	500,573	-

The remaining maturities of the lease liabilities are as follows:

	2026 RM	Group 2025 RM
On demand or within one year	63,536	-
More than 1 year and less than 2 years	119,331	-
More than 2 years and less than 5 years	317,706	-
	500,573	-

At the reporting date, the interest rate of the lease liabilities was 7.40% (2025: N/A) per annum.

The movements of lease liabilities during the financial year are as follows:

	2026 RM	Group 2025 RM
At beginning of the financial year	-	-
Additions	591,425	-
Interest recognised on lease liabilities (Note 7)	9,148	-
Repayment	(100,000)	-
At end of the financial year	500,573	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

27. Deferred tax

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At beginning of the financial year	97,049,750	88,836,888	41,903,332	42,590,228
Recognised in profit or loss (Note 11)	6,173,602	8,212,862	(1,007,856)	(686,896)
Acquisition of subsidiary	861,973	-	-	-
At end of the financial year	104,085,325	97,049,750	40,895,476	41,903,332
Presented after appropriate offsetting as follows:				
Deferred tax assets	(1,209,000)	(549,000)	-	-
Deferred tax liabilities	105,294,325	97,598,750	40,895,476	41,903,332
	104,085,325	97,049,750	40,895,476	41,903,332

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows:

	At 1 February 2025	Recognised in profit or loss (Note 11)	Acquisition of subsidiary	At 31 January 2026
	RM	RM	RM	RM
Group				
Deferred tax liabilities				
Subject to income tax rate:				
Bearer plants and property, plant and equipment	61,449,300	2,603,500	-	64,052,800
Accrued interest income	84,000	(18,000)	-	66,000
Biological assets	1,488,240	(191,520)	-	1,296,720
Derivatives assets	5,124	59,496	-	64,620
Revaluation of leasehold land	44,714,706	(807,912)	-	43,906,794
	107,741,370	1,645,564	-	109,386,934
Offsetting	(11,649,000)	5,188,038	-	(6,460,962)
	96,092,370	6,833,602	-	102,925,972
Subject to Real Property Gains Tax rate:				
Revaluation of freehold land	1,506,380	-	861,973	2,368,353
	97,598,750	6,833,602	861,973	105,294,325

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

27. Deferred tax (cont'd)

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows: (cont'd)

	At 1 February 2025	Recognised in profit or loss (Note 11)	Acquisition of subsidiary	At 31 January 2026
	RM	RM	RM	RM
Group				
Deferred tax assets				
Subject to income tax rate:				
Provisions	(130,000)	(10,000)	-	(140,000)
Derivatives liabilities	-	(130,962)	-	(130,962)
Unutilised reinvestment allowances	(1,250,000)	1,250,000	-	-
Unutilised investment tax allowances	(2,158,000)	1,093,000	-	(1,065,000)
Unutilised green investment tax allowances	(3,011,000)	-	-	(3,011,000)
Unabsorbed capital allowances	(1,117,000)	(487,000)	-	(1,604,000)
Unused tax losses	(3,450,000)	3,450,000	-	-
Unrealised profits	(1,082,000)	(637,000)	-	(1,719,000)
	(12,198,000)	4,528,038	-	(7,669,962)
Offsetting	11,649,000	5,188,038	-	6,460,962
	(549,000)	(660,000)	-	(1,209,000)
	97,049,750	6,173,602	861,973	104,085,325

	At 1 February 2024	Recognised in profit or loss (Note 11)	At 31 January 2025
	RM	RM	RM
Group			
Deferred tax liabilities			
Subject to income tax rate:			
Bearer plants and property, plant and equipment	58,802,600	2,646,700	61,449,300
Accrued interest income	36,000	48,000	84,000
Biological assets	1,093,920	394,320	1,488,240
Derivative assets	-	5,124	5,124
Revaluation of leasehold land	45,522,618	(807,912)	44,714,706
	105,455,138	2,286,232	107,741,370
Offsetting	(15,634,830)	3,985,830	(11,649,000)
	89,820,308	6,272,062	96,092,370
Subject to Real Property Gains Tax rate:			
Revaluation of freehold land	1,506,380	-	1,506,380
	91,326,688	6,272,062	97,598,750

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

27. Deferred tax (cont'd)

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows: (cont'd)

	At 1 February 2024	Recognised in profit or loss (Note 11)	At 31 January 2025
	RM	RM	RM
Group			
Deferred tax assets			
Subject to income tax rate:			
Provisions	(132,000)	2,000	(130,000)
Derivatives liabilities	(630)	630	-
Unutilised reinvestment allowances	(2,364,000)	1,114,000	(1,250,000)
Unutilised investment tax allowances	(2,264,000)	106,000	(2,158,000)
Unutilised green investment tax allowances	(3,011,000)	-	(3,011,000)
Unabsorbed capital allowances	(1,396,000)	279,000	(1,117,000)
Unused tax losses	(7,712,000)	4,262,000	(3,450,000)
Unrealised profits	(1,245,000)	163,000	(1,082,000)
	(18,124,630)	5,926,630	(12,198,000)
Offsetting	15,634,830	(3,985,830)	11,649,000
	(2,489,800)	1,940,800	(549,000)
	88,836,888	8,212,862	97,049,750
	At 1 February 2025	Recognised in profit or loss (Note 11)	At 31 January 2026
	RM	RM	RM
Company			
Deferred tax liabilities			
Subject to income tax rate:			
Bearer plants and property, plant and equipment	7,918,000	(342,000)	7,576,000
Accrued interest income	37,000	(20,000)	17,000
Biological assets	307,680	(30,960)	276,720
Revaluation of leasehold land	33,770,652	(604,896)	33,165,756
	42,033,332	(997,856)	41,035,476
Offsetting	(130,000)	(10,000)	(140,000)
	41,903,332	(1,007,856)	40,895,476
Deferred tax assets			
Subject to income tax rate:			
Provisions	(130,000)	(10,000)	(140,000)
	(130,000)	(10,000)	(140,000)
Offsetting	130,000	10,000	140,000
	-	-	-
	41,903,332	(1,007,856)	40,895,476

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

27. Deferred tax (cont'd)

The components and movements of deferred tax liabilities/(assets) during the financial year are as follows: (cont'd)

	At 1 February 2024	Recognised in profit or loss (Note 11)	At 31 January 2025
	RM	RM	RM
Company			
Deferred tax liabilities			
Subject to income tax rate:			
Bearer plants and property, plant and equipment	8,162,000	(244,000)	7,918,000
Accrued interest income	9,000	28,000	37,000
Biological assets	175,680	132,000	307,680
Revaluation of leasehold land	34,375,548	(604,896)	33,770,652
	42,722,228	(688,896)	42,033,332
Offsetting	(132,000)	2,000	(130,000)
	42,590,228	(686,896)	41,903,332
Deferred tax assets			
Subject to income tax rate:			
Provisions	(132,000)	2,000	(130,000)
	(132,000)	2,000	(130,000)
Offsetting	132,000	(2,000)	130,000
	-	-	-
	42,590,228	(686,896)	41,903,332

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

	2026 RM	Group 2025 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	1,145,000
- expires on 31 January 2032	995,000	995,000
- expires on 31 January 2033	699,000	699,000
- expires on 31 January 2034	712,000	711,500
- expires on 31 January 2035	768,000	765,000
- expires on 31 January 2036	785,000	-
Unabsorbed capital allowances	10,470,000	10,185,000
Other deductible temporary differences	24,000	-
	22,275,000	21,177,500
Deferred tax @ 24% (2025: 24%)	5,346,000	5,082,600

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

27. Deferred tax (cont'd)

The unutilised capital allowances are available indefinitely for offsetting against future taxable profits of the respective subsidiaries in Malaysia, subject to the provisions of the Income Tax Act 1967.

Unused tax losses from the 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.

28. Share capital

	Number of ordinary shares		Amount	
	2026	2025	2026 RM	2025 RM
Group and Company				
Issued and fully paid, at no par value:				
At beginning of the financial year	978,160,043	974,466,452	386,798,597	380,891,436
Issued during the financial year pursuant to:				
- exercise of warrants	2,758,110	3,693,591	4,411,045	5,907,161
- exercise of ESOS	2,584,000	-	6,800,320	-
	5,342,110	3,693,591	11,211,365	5,907,161
At end of the financial year	983,502,153	978,160,043	398,009,962	386,798,597

(a) Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and have one vote per share at meetings of the Company. All ordinary shares rank equally with respect to the Company's residual assets.

(b) Warrants

On 11 April 2018, the Company issued 46,680,235 free bonus warrants, 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 from and including the date of issuance of the warrants and expiring at 5:00 p.m. on the date immediately preceding the 7th anniversary of the issuance. If this date is not a market day, the expiry will be on the preceding market day.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

28. Share capital (cont'd)

(b) Warrants (cont'd)

The warrants were listed on Bursa Malaysia on 16 April 2018 (“Warrants 2018/2026”).

During the financial year, 2,758,110 (2025: 3,693,591) new ordinary shares of RM1.40 each were issued pursuant to the exercise of Warrants 2018/2026 by the registered holders. The fair value of the warrants exercised, amounting to RM549,691 (2025: RM736,133), was transferred from retained earnings to share capital.

The Warrants 2018/2026 expired on 10 April 2025 and the 1,172,789 unexercised warrants were removed from the Official List of Bursa Malaysia Securities Berhad on 11 April 2025.

The number of Warrants 2018/2026 unexercised at the end of the previous financial year was 3,930,899.

(c) Treasury shares

Treasury shares refer to ordinary shares of the Company that are held by the Company itself. The amount represents the acquisition costs of the treasury shares, net of any proceeds received from their subsequent sale or issuance.

During the financial year, the Company resold 1,019,000 (2025: 229,000) treasury shares on Bursa Malaysia, generating net proceeds of RM2,401,736 (2025: RM542,337). The Company did not acquire any additional shares through purchases on Bursa Malaysia during the current and previous financial years.

The Directors of the Company are committed to enhancing shareholder value and believe that the repurchase plan serves the best interests of the Company and its shareholders. The repurchase transactions were financed using internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016. The Company reserves the right to reissue these shares at a later date. As treasury shares, the rights related to voting, dividends, and participation in other distributions are suspended.

	Number of shares	Amount RM	Average cost per share RM
At 1 February 2024	1,248,000	1,123,513	0.90
Resale	(229,000)	(206,157)	0.90
At 31 January 2025 and 1 February 2025	1,019,000	917,356	0.90
Resale	(1,019,000)	(917,356)	0.90
At 31 January 2026	-	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

28. Share capital (cont'd)

(d) Executives' Share Option Scheme ("ESOS")

The Company implemented an ESOS effective from 27 December 2024 for a period of 5 years. The ESOS is governed by the Bye-Laws approved by the shareholders on 6 September 2024.

The main features of the ESOS are:

- (i) The total number of new ordinary shares to be issued by the Company under the ESOS shall not, in aggregate, exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) ("Maximum Scheme Shares"). Furthermore, not more than 70% of the Maximum Scheme Shares shall, in aggregate, be allocated to the executive Directors and senior management of the Group (excluding dormant subsidiaries).
- (ii) Not more than 10% of the Maximum Scheme Shares shall be allocated to any Eligible Executive who, either individually or collectively with persons connected to them, holds 20% or more of the total issued ordinary shares of the Company.
- (iii) Subject to the limitations of the Bye-Laws, the ESOS Committee may, at its absolute discretion, select and identify suitable employees to qualify as Eligible Executives; determine the basis of allocation; set additional terms and conditions of an Offer; and/or waive any conditions of eligibility as set out in Bye-Law 4.1.
- (iv) The option price under the ESOS shall not be at a discount of more than ten percent (10%) from the five-day weighted average market price of the Company's shares traded on Bursa Malaysia preceding the Offer Date.
- (v) The options granted shall remain valid until the expiry of the ESOS on 26 December 2029.
- (vi) An option holder may, in any particular year, exercise up to the maximum number of shares specified in the option certificate.
- (vii) Persons to whom the options are granted shall have no right, by virtue of such options, to participate in the shares of any other company within the Group.

The option reserve relates to the recognition of share options granted under the ESOS, which entitle the holders to subscribe for new ordinary shares of the Company.

	Group and Company	
	2026 RM	2025 RM
Option reserve		
At beginning of the financial year	3,192,099	-
Issuance of ESOS options	4,598,875	3,192,099
Transfer to share capital upon exercise of options	(971,020)	-
Transfer to retained earnings upon cancellation of options	(71,896)	-
At end of the financial year	6,748,058	3,192,099

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

28. Share capital (cont'd)

(d) Executives' Share Option Scheme ("ESOS") (cont'd)

(i) The following table illustrates the number of share options, the weighted average exercise prices ("WAEP"), and the movements in share options during the financial year:

	Exercise price	Outstanding at 1 February	Number of share options				Outstanding at 31 January	Exercisable at 31 January
			Granted	Exercised	Cancelled			
2026								
Granted on:								
- 29 October 2025	2.09	-	2,696,000	(62,000)	-	2,634,000	1,182,875	
- 17 January 2025	2.26	30,752,500	-	(2,522,000)	(770,000)	27,460,500	11,751,700	
		30,752,500	2,696,000	(2,584,000)	(770,000)	30,094,500	12,934,575	
WAEP (RM)		2.26	2.09	2.26	2.26	2.25	2.24	
2025								
Granted on:								
- 17 January 2025	2.26	-	30,752,500	-	-	30,752,500	7,467,800	
		-	30,752,500	-	-	30,752,500	7,467,800	
WAEP (RM)		-	2.26	-	-	2.26	2.26	

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

28. Share capital (cont'd)

(d) Executives' Share Option Scheme ("ESOS") (cont'd)

(ii) Fair value of share options granted during the year

The fair value of the share options granted during the year was estimated using the Binomial model, considering the terms and conditions under which the options were granted. The fair value of the share options at the grant date and the key assumptions are as follows:

	2026	2025
Average fair value of share options at the following grant dates (RM)		
- 29 October 2025	0.32	-
- 17 January 2025	-	0.34
Weighted average share price (RM)	2.32	2.46
Exercise price (RM)	2.09	2.26
Expected volatility (%)	20.32	21.00
Expected life (years)	1 to 4	1 to 5
Risk-free rate (%)	3.18	3.60
Expected dividend yield (%)	5.00	6.54

The expected volatility reflects the assumption that historical volatility is indicative of future trends, although this may not necessarily be the actual outcome. No other features of the options granted were considered in the measurement of fair value.

29. Retained earnings

The entire retained earnings of the Company as at 31 January 2026 and 2025 are available for distribution as dividends under the single-tier system.

30. 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	
	2026 RM	2025 RM	2026 RM	2025 RM
With holding company:				
Recovery of office expenses	54,000	54,000	54,000	54,000

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

30. Related party disclosures (cont'd)

(a) Sale and purchase of goods and services (cont'd)

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: (cont'd)

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
With subsidiaries:				
Management fee income	-	-	9,178,152	7,682,175
Commission income	-	-	1,965,099	1,883,195
Rental income	-	-	36,000	36,000
Interest income	-	-	5,900,260	5,299,530
Purchase of goods and services	-	-	21,117	346,260
Sale of goods and services	-	-	56,075,918	53,156,638
Purchase of plant and equipment	-	-	22,000	-
Dividend income	-	-	125,050,000	136,800,000
With fellow subsidiaries of the holding company:				
Management fee income	203,688	169,740	203,688	169,740
Recovery of office expenses	36,000	36,000	36,000	36,000
Acquisition of subsidiary	10,000,000	-	10,000,000	-
Purchase of goods and services	23,501,153	21,108,351	-	1,488
Sale of goods and services	159,909	571,437	-	-
Purchase of plant and equipment	73,000	-	-	-
Sale of plant and equipment	20,000	-	-	-

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

(b) Key management compensation

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Short term employee benefits	16,356,829	14,096,994	12,310,361	10,305,708
Defined contribution plan	2,105,786	2,095,548	1,611,672	1,580,040
Share options granted under ESOS	2,260,481	1,580,816	2,260,481	1,580,816
	20,723,096	17,773,358	16,182,514	13,466,564
Included in the total remuneration of key management personnel are remunerations of:				
- Executive Directors	11,756,325	10,345,548	8,646,136	7,169,381
- Non-executive Directors	393,750	378,300	393,750	378,300
	12,150,075	10,723,848	9,039,886	7,547,681

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

31. Commitments

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
(a) Capital expenditures:				
Approved and contracted for:				
- right-of-use assets, bearer plants and property, plant and equipment	13,554,000	7,192,500	430,000	-

(b) Rental commitments

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Future minimum rental payments:				
Not later than 1 year	321,031	155,116	209,431	104,716
Later than 1 year and not later than 5 years	530,147	201,600	314,147	-
Later than 5 years	285,600	336,000	-	-
	1,136,778	692,716	523,578	104,716

The Group and the Company have entered into non-cancellable operating leases for the lease of properties, which are not accounted for under MFRS 16, as the financial impact on the financial statements is not considered material.

32. 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 2026

(CONT'D)

32. Segmental information (cont'd)

(A) Business segment

	Plantation RM	Milling RM	Adjustments and eliminations RM	Total RM
31 January 2026				
Revenue and expenses				
Revenue				
External customers	37,707,356	1,786,150,340	-	1,823,857,696
Inter-segment	241,458,287	-	(241,458,287)	-
Total revenue	279,165,643	1,786,150,340	(241,458,287)	1,823,857,696
Results				
Segment results	157,524,401	122,231,463	(2,931,000)	276,824,864
Unallocated costs				(16,939,380)
Interest income				9,696,871
Finance costs				(7,311,880)
Other investment income				9,098,724
Profit before tax				271,369,199
Taxation				(65,215,233)
Profit net of tax				206,153,966
Assets and liabilities				
Segment assets	712,794,139	542,519,653	(54,687,249)	1,200,626,543
Unallocated assets				284,591,006
Total assets				1,485,217,549
Segment liabilities	216,255,759	185,607,404	(51,344,249)	350,518,914
Unallocated liabilities				64,184,460
Total liabilities				414,703,374
Other information				
	Plantation RM	Milling RM	Unallocated RM	Total RM
Capital expenditure	19,509,949	22,341,500	423,181	42,274,630
Depreciation	21,308,021	23,403,824	302,964	45,014,809
Share options granted under ESOS	-	-	4,598,875	4,598,875
Other non-cash expenses (Note a)	972,615	577,322	45,101	1,595,038

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

32. Segmental information (cont'd)

(A) Business segment (cont'd)

	Plantation RM	Milling RM	Adjustments and eliminations RM	Total RM
31 January 2025				
Revenue and expenses				
Revenue				
External customers	40,982,712	1,643,038,681	-	1,684,021,393
Inter-segment	214,891,592	-	(214,891,592)	-
Total revenue	255,874,304	1,643,038,681	(214,891,592)	1,684,021,393
Results				
Segment results	141,196,098	117,350,078	402,000	258,948,176
Unallocated costs				(14,398,025)
Interest income				8,992,239
Finance costs				(3,312,402)
Other investment income				5,098,484
Profit before tax				255,328,472
Taxation				(60,745,689)
Profit net of tax				194,582,783
Assets and liabilities				
Segment assets	698,257,940	486,679,512	(54,019,311)	1,130,918,141
Unallocated assets				241,365,709
Total assets				1,372,283,850
Segment liabilities	225,258,957	168,891,898	(52,903,311)	341,247,544
Unallocated liabilities				30,632,708
Total liabilities				371,880,252
Other information				
	Plantation RM	Milling RM	Unallocated RM	Total RM
Capital expenditure	19,138,493	38,427,465	835,446	58,401,404
Depreciation	21,268,073	22,076,976	263,674	43,608,723
Share options granted under ESOS	-	-	3,192,099	3,192,099
Other non-cash expenses (Note a)	98,394	1,085,562	13,524	1,197,480

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

32. 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:

	Plantation RM	Milling RM	Unallocated RM	Total RM
2026				
Bad debts	-	3,500	-	3,500
Unrealised loss on derivatives	-	276,425	-	276,425
Inventories written down	-	53,490	-	53,490
Loss on disposal of property, plant and equipment	84,976	7,959	-	92,935
Loss on fair value changes in biological assets	798,000	-	-	798,000
Impairment losses on property, plant and equipment	-	179,443	-	179,443
Provision for unutilised leave	-	-	41,916	41,916
Write off of:				
- property, plant and equipment	89,362	56,505	3,185	149,052
- inventories	277	-	-	277
	972,615	577,322	45,101	1,595,038
2025				
Bad debts	-	4,874	-	4,874
Inventories written down	-	224,327	-	224,327
Loss on disposal of property, plant and equipment	4,405	2,164	4,560	11,129
Write off of:				
- property, plant and equipment	93,987	854,197	8,964	957,148
- bearer plants	2	-	-	2
	98,394	1,085,562	13,524	1,197,480

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

32. Segmental information (cont'd)

(A) Business segment (cont'd)

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

	Plantation RM	Milling RM	Total RM
2026			
Segment results	157,524,401	122,231,463	279,755,864
Inter-segments adjustments and eliminations:			
(a) Unrealised losses	(2,931,000)	-	(2,931,000)
	154,593,401	122,231,463	276,824,864
Segment assets	712,794,139	542,519,653	1,255,313,792
Inter-segments adjustments and eliminations:			
(a) Inventories	-	(4,399,000)	(4,399,000)
(b) Receivables	(51,313,449)	(30,800)	(51,344,249)
(c) Deferred tax assets	1,056,000	-	1,056,000
	(50,257,449)	(4,429,800)	(54,687,249)
	662,536,690	538,089,853	1,200,626,543
Segment liabilities	216,255,759	185,607,404	401,863,163
Inter-segments adjustments and eliminations:			
(a) Payables	(30,800)	(51,313,449)	(51,344,249)
	216,224,959	134,293,955	350,518,914

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

32. Segmental information (cont'd)

(A) Business segment (cont'd)

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

	Plantation RM	Milling RM	Total RM
2025			
Segment results	141,196,098	117,350,078	258,546,176
Inter-segments adjustments and eliminations:			
(a) Unrealised losses	402,000	-	402,000
	141,598,098	117,350,078	258,948,176
Segment assets	698,257,940	486,679,512	1,184,937,452
Inter-segments adjustments and eliminations:			
(a) Inventories	-	(1,468,000)	(1,468,000)
(b) Receivables	(52,889,476)	(13,835)	(52,903,311)
(c) Deferred tax assets	352,000	-	352,000
	(52,537,476)	(1,481,835)	(54,019,311)
	645,720,464	485,197,677	1,130,918,141
Segment liabilities	225,258,957	168,891,898	394,150,855
Inter-segments adjustments and eliminations:			
(a) Payables	(13,835)	(52,889,476)	(52,903,311)
	225,245,122	116,002,422	341,247,544

(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 RM1.36 billion (2025: RM1.25 billion) are derived from 5 (2025: 4) major customers in Malaysia.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

33. 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 19.

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 RM38,194,000 (2025: RM48,190,000) relating to corporate guarantees provided by the Company to its subsidiaries for credit facilities obtained from licensed financial institutions. The Company has assessed the corporate guarantee contracts and concluded that the guarantees are not likely to be called upon by the respective counterparties and accordingly did not recognise the guarantees as financial liabilities as at the reporting date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

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

(a) Credit risk (cont'd)

Credit risk concentration profile

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Plantation	-	-	3,730,786	3,496,613
Milling	27,331,932	31,471,342	-	-

At the reporting date, approximately 69% (2025: 74%) and 83% (2025: 86%) of the Group's and of the Company's trade receivables respectively are due from 5 (2025: 4) and 1 (2025: 1) major customers.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19. 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 19.

(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 and credit facilities 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 21, 22 and 25.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

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

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2026				
Group				
Financial liabilities				
Trade and other payables	112,416,238	-	-	112,416,238
Loans and borrowings	40,843,322	96,145,087	19,783,494	156,771,903
Lease liabilities	100,000	500,000	-	600,000
Total undiscounted financial liabilities	153,359,560	96,645,087	19,783,494	269,788,141
Company				
Financial liabilities				
Trade and other payables	8,610,661	-	-	8,610,661
Loans and borrowings	24,899,605	80,074,294	19,783,494	124,757,393
Total undiscounted financial liabilities	33,510,266	80,074,294	19,783,494	133,368,054
2025				
Group				
Financial liabilities				
Trade and other payables	93,150,120	-	-	93,150,120
Loans and borrowings	32,644,957	123,231,258	30,430,345	186,306,560
Total undiscounted financial liabilities	125,795,077	123,231,258	30,430,345	279,456,680
Company				
Financial liabilities				
Trade and other payables	10,869,766	-	-	10,869,766
Loans and borrowings	16,170,243	96,133,020	30,430,345	142,733,608
Total undiscounted financial liabilities	27,040,009	96,133,020	30,430,345	153,603,374

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

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

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from a combination of fixed and floating rate borrowings and cash and cash equivalents. To manage this mix in a cost-efficient manner, the Group may enter into interest rate swaps to manage certain floating rate borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM841,000 (2025: RM673,000) 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.

34. Fair value of financial instruments

(i) 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)	19
Other receivables (non-current)	19(c)
Trade and other payables (current)	24
Lease liabilities	26

The carrying amounts of the current portion of these financial assets and liabilities are reasonable approximations of their fair values due to their relatively short maturity periods.

The fair values of interest-bearing other receivables with fixed repayment terms approximate their carrying amounts, as they bear interest at rates that are close to market rates as at the reporting date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

34. Fair value of financial instruments (cont'd)

(ii) 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.

(iii) 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.

(iv) Short term funds

The short term funds are valued at market prices quoted at the reporting date.

(v) 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 2026 RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets/(liabilities) measured at fair value through profit or loss				
Biological assets	5,403,000	-	-	5,403,000
Short term funds	329,545,592	329,545,592	-	-
Derivative assets	269,250	-	269,250	-
Derivative liabilities	(545,675)	(545,675)	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

34. Fair value of financial instruments (cont'd)

(v) Fair value hierarchy (cont'd)

As at the financial year end, the Group and the Company held the following assets and liabilities measured at fair value: (cont'd)

Group

	31 January 2025 RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets measured at fair value through profit or loss				
Biological assets	6,201,000	-	-	6,201,000
Short term funds	275,306,759	275,306,759	-	-
Derivative assets	21,350	21,350	-	-

Company

	31 January 2026 RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets measured at fair value through profit or loss				
Biological assets	1,153,000	-	-	1,153,000
Short term funds	180,282,624	180,282,624	-	-

	31 January 2025 RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets measured at fair value through profit or loss				
Biological assets	1,282,000	-	-	1,282,000
Short term funds	152,396,532	152,396,532	-	-

There were no transfers between the various categories in the hierarchy of fair value measurement during the reporting periods ended 31 January 2026 and 2025.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

35. Financial instruments

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

	Note	2026 RM	2025 RM
Group			
(a) Debt instruments carried at amortised cost			
Trade and other receivables	19	52,779,967	51,224,939
Cash and bank balances	22	264,303,013	248,933,013
		317,082,980	300,157,952
(b) Financial assets measured at fair value through profit or loss			
Derivatives	20	269,250	21,350
Short term funds	21	329,545,592	275,306,759
		329,814,842	275,328,109
(c) Financial liabilities carried at amortised cost			
Trade and other payables	24	112,416,238	93,150,120
Loans and borrowings	25	140,344,000	160,490,000
Lease liabilities	26	500,573	-
		253,260,811	253,640,120
(d) Financial liabilities measured at fair value through profit or loss			
Derivatives	20	545,675	-
Company			
(a) Debt instruments carried at amortised cost			
Trade and other receivables	19	133,533,492	135,889,529
Cash and bank balances	22	92,175,871	79,612,822
		225,709,363	215,502,351
(b) Financial assets measured at fair value through profit or loss			
Short term funds	21	180,282,624	152,396,532
(c) Financial liabilities carried at amortised cost			
Trade and other payables	24	8,610,661	10,869,766
Loans and borrowings	25	109,850,000	120,000,000
		118,460,661	130,869,766

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

36. 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 2026 and 31 January 2025.

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.

	Note	2026 RM	Group 2025 RM
Loans and borrowings	25	140,344,000	160,490,000
Lease liabilities	26	500,573	-
Trade and other payables	24	112,416,238	93,150,120
Less: Short term funds	21	(329,545,592)	(275,306,759)
Less: Cash and bank balances	22	(264,303,013)	(248,933,013)
<i>Net debt</i>		(340,587,794)	(270,599,652)
Equity attributable to the owners of the Company		939,451,143	882,009,856
Non-controlling interests		131,063,032	118,393,742
<i>Total equity</i>		1,070,514,175	1,000,403,598
Capital and net debt		729,926,381	729,803,946
Net gearing ratio		N/A	N/A

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

(CONT'D)

37. Dividends

	Group and Company	
	2026	2025
	RM	RM
Recognised during the year:		
In respect of financial year 2024:		
- Second interim single-tier dividend of 5 sen per share	-	48,753,884
In respect of financial year 2025:		
- First interim single-tier dividend of 5 sen per share	-	48,799,021
- Special single-tier dividend of 5 sen per share	-	48,816,810
- Second interim single-tier dividend of 5 sen per share	49,116,708	-
	49,116,708	97,615,831
In respect of financial year 2026:		
- First interim single-tier dividend of 5 sen per share	49,129,757	-
- Special single-tier dividend of 3 sen per share	29,505,065	-
	78,634,822	-
	127,751,530	146,369,715

On 26 March 2026, the Company declared a second interim single-tier dividend in respect of the financial year ended 31 January 2026 of 6 sen per ordinary share. This dividend amounting to RM59,075,169 will be payable on 18 May 2026. 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 2027.

38. Significant event subsequent to the financial year end

Impact of the Middle East Conflict

The Middle East Conflict which started on 28 February 2026 and caused the closure of the Strait of Hormuz, has significantly disrupted many business operations around the world.

For the Group, the impact on business operations has not been a direct consequence of the conflict, but a result of the indirect effects globally, notably surging energy prices, high shipping insurance, and supply chain bottlenecks through critical chokepoints through the Strait of Hormuz.

The conflict is not an adjusting post balance sheet event. At this juncture, it is not possible to estimate the full impact of the conflict. As the conflict continues to evolve, it is challenging to predict the full extent and duration of its impact on business and the economy. As of the date of this report, the Group has not identified any material uncertainties that may cast significant doubt on its ability to continue as a going concern. The Group will continue to monitor the development of these events, reassess market conditions and implement proactive mitigation measures, where necessary, to mitigate the impact of conflict to the Group's business.

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2026 were authorised for issue in accordance with a resolution of the Directors on 15 May 2026.

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Remarks	Group	
		2026 RM	2025 RM
Total Income			
Revenue		1,823,857,696	1,684,021,393
Other income		25,467,829	25,090,094
Total		1,849,325,525	1,709,111,487
Total Assets		1,485,217,549	1,372,283,850

(b) Business Activities

	Remarks	Group	
		2026 RM	2025 RM
Shariah Non-Compliant Activities			
Interest income		8,737,103	7,614,673
Other Shariah non-compliant activities	Gain / (loss) on fair value changes in short term funds	102,416	(23,518)
Total		8,839,519	7,591,155

(c) Component of Financial Position

(i) Cash Components

	Remarks	Group	
		2026 RM	2025 RM
Islamic Account / Instruments			
Cash on hand		53,926	63,385
Cash at banks		1,121,250	1,182,942
Short term funds		290,122,809	237,634,707
Total Cash		291,297,985	238,881,034

Disclosure of Financial Data for Shariah Screening

(CONT'D)

(c) Component of Financial Position (cont'd)

(i) Cash Components (cont'd)

Remarks	Group	
	2026 RM	2025 RM
Conventional Account / Instruments		
Cash at banks	153,727,837	103,575,668
Deposits with licensed banks	109,400,000	144,111,018
Short term funds	39,422,783	37,672,052
Total Cash	302,550,620	285,358,738

(ii) Debt Components

Remarks	Group	
	2026 RM	2025 RM
Islamic Financing		
Current	-	-
Non-Current	-	-
Total Financing	-	-
Conventional Borrowings		
Current		
Revolving credit	5,000,000	5,000,000
Term loans	9,996,000	9,996,000
Medium Term Notes	20,300,000	10,150,000
	35,296,000	25,146,000
Non-Current		
Term loans	15,498,000	25,494,000
Medium Term Notes	89,550,000	109,850,000
	105,048,000	135,344,000
Total Debts	140,344,000	160,490,000

KIM LOONG RESOURCES BERHAD

Analysis of Shareholdings

AS AT 24 APRIL 2026

Issued and Fully Paid Up Capital : RM390,377,242.88 consisting of 984,586,153 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	82	1.32	2,360	0.00
100 to 1,000 shares	919	14.80	573,558	0.06
1,001 to 10,000 shares	2,992	48.20	14,791,298	1.50
10,001 to 100,000 shares	1,803	29.04	57,600,385	5.85
100,001 to less than 5% of shares	411	6.62	289,104,924	29.36
5% and above of shares	1	0.02	622,513,628	63.23
Total	6,208	100.00	984,586,153	100.00

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	63.23
2. Teo Chuan Keng Sdn. Bhd.	20,000,000	2.03
3. Aliran Insaf (M) Sdn. Bhd.	12,574,480	1.28
4. Krishnan Chellam	10,000,000	1.02
5. Koperasi Polis DiRaja Malaysia Berhad	7,875,000	0.80
6. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. -Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	6,145,932	0.62
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. Bhd.	4,021,623	0.41
11. Amanahraya Trustees Berhad -Public Smallcap Fund	4,019,600	0.41
12. Citigroup Nominees (Tempatan) Sdn. Bhd. -Exempt an For Bank of Singapore Limited (Local)	4,000,000	0.41
13. Gooi Seow Mee	3,791,188	0.39
14. Cimsec Nominees (Tempatan) Sdn. Bhd. -CIMB for Prudent Strength Sdn. Bhd. (PB)	3,755,355	0.38
15. Public Nominees (Tempatan) Sdn. Bhd. -Pledged Securities Account for Gooi Seong Heen (E-JBU)	3,629,934	0.37
16. Gooi Seong Chneh	3,578,934	0.36
17. Loh Boon Hong	3,500,000	0.36
18. Heng Yuen Sdn. Bhd.	3,422,160	0.35
19. Citigroup Nominees (Tempatan) Sdn. Bhd. -Exempt an For OCBC Securities Private Limited (Client A/C-Res)	3,370,496	0.34
20. Cimsec Nominees (Tempatan) Sdn. Bhd. -CIMB for Chellam Plantations (Sabah) Sdn. Bhd. (PB)	3,300,000	0.34

Analysis of Shareholdings

AS AT 24 APRIL 2026

(CONT'D)

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

Name of Shareholders	No. of Shares held	% of Total Number of Issued Shares
21. Butterfish Sdn. Bhd.	3,242,900	0.33
22. Lim Weng Ho	2,947,800	0.30
23. Ang Chai Eng	2,885,400	0.29
24. Maybank Nominees (Tempatan) Sdn. Bhd. –Pledged Securities Account for Gan Tee Jin	2,733,000	0.28
25. Loh Boon Tiong	2,602,000	0.26
26. Loh Boon Siong	2,600,000	0.26
27. Radeshah binti Ridzwani	2,507,400	0.25
28. Misha David Chellam	2,500,000	0.25
29. Tamara Chellam York	2,500,000	0.25
30. Teo Tian Chai Sdn. Bhd.	2,385,000	0.24
Total	761,851,830	77.38

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	-	63.42	-
Gooi Seong Lim	6,492,532 ^(a)	632,435,972 ^(b)	0.66	64.23
Gooi Seong Heen	5,958,922 ^(c)	628,227,576 ^(d)	0.61	63.81
Gooi Seong Chneh	5,517,922	628,227,576 ^(e)	0.56	63.81
Gooi Seong Gum	1,197,690	628,403,976 ^(f)	0.12	63.82
Wilgain Prosperity Sdn. Bhd.	-	624,452,616 ^(g)	-	63.42
Eternal Profits Worldwide Sdn. Bhd.	-	624,452,616 ^(g)	-	63.42
Ascendant Capital Sdn. Bhd.	-	624,452,616 ^(g)	-	63.42
SG Gooi Holdings Sdn. Bhd.	-	624,452,616 ^(g)	-	63.42

Analysis of Shareholdings

AS AT 24 APRIL 2026

(CONT'D)

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

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Gooi Seong Lim	6,492,532 ^(a)	0.66	632,435,972 ^(b)	64.23
Gooi Seong Heen	5,958,922 ^(c)	0.61	628,227,576 ^(d)	63.81
Gooi Seong Chneh	5,517,922	0.56	628,227,576 ^(e)	63.81
Gooi Seong Gum	1,197,690	0.12	628,403,976 ^(f)	63.82
Yong Chung Sin	-	-	-	-
Soh Ban Ting	-	-	-	-
Dr. Chee Yau Kuan @ Chia Yan Kuan	774,195	0.08	2,061,545 ^(h)	0.21
Gooi Tsih Ern	-	-	3,149,996 ⁽ⁱ⁾	0.32
Gooi Chuen Kang	-	-	-	-

Notes:-

(a) Includes 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) Includes 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 Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Tsih Ern is a major shareholder.

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 2026 RM'000
Kim Loong Resources Berhad						
- CL 085311253	31/12/2077	Oil palm plantation	80.86	01 Feb 2017	Not applicable	5,597
- CL 085313079	31/12/2078	Oil palm plantation	384.25	01 Feb 2017	Not applicable	27,775
- CL 085311306	31/12/2077	Oil palm plantation	121.45	01 Feb 2017	Not applicable	7,246
- CL 085311315	31/12/2077	Oil palm plantation	102.51	01 Feb 2017	Not applicable	6,056
- CL 085311244	31/12/2077	Oil palm plantation	166.53	01 Feb 2017	Not applicable	11,845
District of Labuk/ Sugut, Sabah						
- CL 095317552	31/12/2085	Oil palm plantation	6.07	01 Feb 2017	Not applicable	469
- CL 095317561	31/12/2085	Oil palm plantation	5.93	01 Feb 2017	Not applicable	458
- CL 095315058	31/12/2085	Oil palm plantation	303.39	01 Feb 2017	Not applicable	23,436
- CL 095317436	31/12/2087	Oil palm plantation	14.25	01 Feb 2017	Not applicable	1,030
- CL 095310777	31/12/2078	Oil palm plantation	395.78	01 Feb 2017	Not applicable	30,592
- CL 095315049	31/12/2085	Oil palm plantation	343.90	01 Feb 2017	Not applicable	25,776
- CL 095316957	31/12/2086	Oil palm plantation	80.82	01 Feb 2017	Not applicable	6,161
- CL 095310428	31/12/2077	Oil palm plantation	81.06	01 Feb 2017	Not applicable	5,610
- CL 095310982	31/12/2078	Oil palm plantation	400.56	01 Feb 2017	Not applicable	25,980
- CL 095310526	31/12/2077	Oil palm plantation	243.74	01 Feb 2017	Not applicable	14,619
- CL 095310562	31/12/2077	Oil palm plantation	80.41	(04 July 2024)	Not applicable	4,701
District of Kinabatangan, Sabah						
- Lot 7052, Section 64 Jalan Sekama Kuching, Sarawak	31/12/2779	Shoplot office	-	(01 Feb 2010)	42 years	1,061
Suhenson Estate Sdn. Bhd.						
- CL 095310704	31/12/2078	Oil palm plantation	201.53	(09 Feb 2021)	Not applicable	13,367
- CL 095310884	31/12/2079	Oil palm plantation	149.05	(09 Feb 2021)	Not applicable	9,115
- CL 095315245	31/12/2085	Oil palm plantation	356.94	(09 Feb 2021)	Not applicable	27,237
- PL 096290416	31/12/2078	Oil palm plantation	388.23	(09 Feb 2021)	Not applicable	27,201
District of Kinabatangan, Sabah						
Kim Loong - KPD Plantations Sdn. Bhd.						
- CL 255332631	31/12/2086	Oil palm plantation	1,610.00	31 Jan 2004	Not applicable	34,284
- CL 255340160	30/06/2062	Oil palm plantation	385.60 ⁽¹⁾	31 Jan 2004	Not applicable	5,217
District of Tongod, Sabah						
Okidville Holdings Sdn. Bhd.						
- CL 135328782	31/12/2083	Oil palm plantation	2,755.50	31 Jan 2004	Not applicable	46,334
Sook, District of Keningau, Sabah						

KIM LOONG RESOURCES BERHAD

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 2026 RM'000
Desa Okidville Sdn. Bhd.						
- CL 135367930 Sook, District of Keningau, Sabah	31/12/2080	Oil palm plantation	4,355.55	31 Jan 2004	Not applicable	64,805
Desa Kim Loong Palm Oil Sdn. Bhd.						
- CL 135367912	31/12/2080	Palm oil mill	12.14	01 Feb 2011	23 years	8,085
- CL 135367921	31/12/2080	Oil palm plantation	27.51	01 Feb 2011	Not applicable	2,614
- Part of CL 135331029	31/12/2047	Road, drain and fencing	0.07 ⁽¹⁾	(01 Jul 2019)	4 years	212
- Part of CL 135367903	29/02/2064	Housing area, water reservoir and POME area	77.13 ⁽¹⁾	(01 Mar 2004)	Not applicable	2,305
Sook, District of Keningau, Sabah						
Kim Loong Palm Oil Mills Sdn. Bhd.						
- GRN 60265, Lot 2420	Freehold	Palm oil mill	24.18	01 Feb 2011	29 years	18,406
- H.S.(D) 32061, PTD 3878 & H.S.(D) 32062, PTD 3879 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	Freehold	Vacant land	8.22	01 Feb 2011	Not applicable	8,726
Winsome Al-Yatama Sdn. Bhd.						
- H.S.(D) 34747, PTD 828 Mukim Hulu Sg Sedeli Besar, Kota Tinggi, Johor	08/11/2064	Oil palm plantation	1,081.02 ⁽¹⁾	(09 Nov 2004)	Not applicable	11,616
Kim Loong Technologies Sdn. Bhd.						
- GRN 60265, Lot 2420 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory ⁽²⁾	-	Not applicable	20 years	683
Kim Loong Sabah Mills Sdn. Bhd.						
- CL 255340179 District of Tongod, Sabah	31/12/2086	Palm oil mill	13.80	01 Feb 2011	18 years	10,873

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 2026 RM'000
Kim Loong Technologies (Sabah) Sdn. Bhd.						
- CL 135367912 Sook, District of Keningau, Sabah	31/12/2080	Factory ⁽²⁾	-	Not applicable	16 years	339
Kim Loong Power Sdn. Bhd.						
- GRN 60265, Lot 2420 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory/store ⁽²⁾	-	Not applicable	17 years	696
- CL 135367912 Sook, District of Keningau, Sabah	31/12/2080	Road, drain and fencing ⁽²⁾	-	Not applicable	16 years	53
- CL 255340179	31/12/2086	Factory ⁽²⁾	-	Not applicable	13 years	606
- CL 255340160 District of Tongod, Sabah	30/06/2062	Road, drain and fencing ⁽²⁾	-	Not applicable	3 years	207
Winsome Pelita (Pantu) Sdn. Bhd.						
- Sungai Tenggara and Kranggas/Mawang Sri Aman, Sarawak	NCR Native Land 60 years	Oil palm plantation	2,799.92	(06 Jan 2010)	Not applicable	35,929
Winsome Jaya Sdn. Bhd.						
- HS(D) 50797, PTD 4445	26/08/2111	Oil palm plantation	47.60 ⁽¹⁾	(27 Aug 2013)	Not applicable	958
- HS(D) 50798, PTD 4446 Mukim Ulu Sungei Sedeli Besar, Kota Tinggi, Johor	26/08/2111	Oil palm plantation	25.18 ⁽¹⁾	(17 Nov 2025)	Not applicable	288
Kim Loong Mills (Sarawak) Sdn. Bhd.						
- Lot 544, 546, 688, 689, 693, 694, 703, 705, 706, 710, 711, 773 of Block 9 Lachau, Pantu, District of Selanjan, Sarawak	Freehold	Construction of palm oil mill in progress	51.73	(22 Dec 2025)	Not applicable	16,929
						17,182.41
						545,497

(1) These lands were subleased from third parties.

(2) These buildings are sited on rented land held by related companies.

KIM LONG RESOURCES BERHAD

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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 Fifty-first Annual General Meeting of the Company to be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80888 Ibrahim International Business District, Johor Darul Takzim on Thursday, 16 July 2026 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. Yong Chung Sin		
4	Re-election of Director : Ms. Soh Ban Ting		
5	Re-election of Director : Dr. Chee Yau Kuan @ Chia Yan Kuan		
6	Re-appointment of Auditors		
7	Authority to allot and issue shares		
8	Proposed Renewal of Authority for Share Buy-Back		
9	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 _____ 2026

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 9 July 2026 shall be regarded as a member entitled to attend, speak and vote at the meeting.

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney.

Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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Stamp

The Secretary
KIM LOONG RESOURCES BERHAD
Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.

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RESOURCES BERHAD

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