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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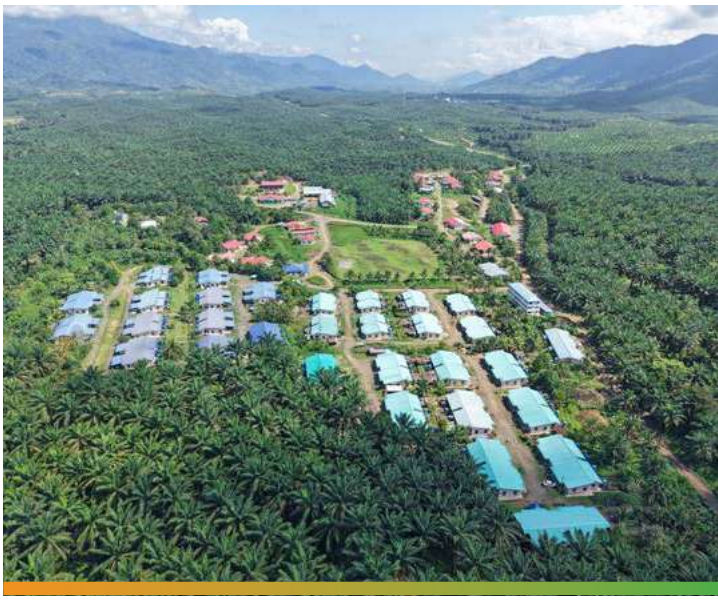
Form of Proxy







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).

BURSA MALAYSIA

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 Al-Yatama Berhad to develop 2,702 acres of land in Kota Tinggi, Johor.

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

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,
Selangor Darul Ehsan.

Tel :
03 7118 2688

Fax :
03 7118 2693

Email :
ypchong@tacsco.com.my

REGISTRAR

TACS CORPORATE
SERVICES SDN. BHD.

Unit No. 203, 2nd Floor, Block
C, Damansara Intan, No. 1, Jalan
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	Percentage	Number of Participants	Number of options exercised during FY2026	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

	Number of options outstanding/unexercised	
Category of Participants	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 alloted, 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



GOOI SEONG LIM
Executive Chairman



GOOI SEONG HEEN
Managing Director



GOOI SEONG CHNEH
Executive Director



GOOI SEONG GUM
Executive Director



YONG CHUNG SIN
Senior Independent
Non-Executive Director



SOH BAN TING
Independent
Non-Executive Director

Board of Directors
(CONT'D)



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



GOOI TSIH ERN
Alternate Director to
Mr. Gooi Seong Lim



GOOI CHUEN KANG
Alternate Director to
Mr. Gooi Seong Heen



KAN CHEE JING
Company Secretary



CHONG FOOK SIN
Company Secretary



CHUA YOKE BEE
Company Secretary

Profile of Directors



GOOI SEONG LIM

Executive Chairman

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 Practicing 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:
30 November 2022

Malaysian • Age 84 • Male

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:
20 June 2023

Malaysian • Age 39 • Female

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:

1. 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.

2. 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)

- 100% KIM LOONG PALM OIL SDN. BHD.
  - 100% KIM LOONG PALM OIL MILLS SDN. BHD.
    - 100% SUNGKIT ENTERPRISE SDN. BHD.
    - 100% KIM LOONG EVERGROW SDN. BHD.
    - 75% KIM LOONG BIOMASS SDN. BHD.
- 100% KIM LOONG SABAH MILLS SDN. BHD.
- 100% KIM LOONG POWER SDN. BHD.
- 100% KIM LOONG TECHNOLOGIES SDN. BHD.
- 70% KIM LOONG - KPD PLANTATIONS SDN. BHD.
- 70% DESA KIM LOONG PALM OIL SDN. BHD.
  - 100% DESA KIM LOONG INDUSTRIES SDN. BHD.
  - 100% KIM LOONG TECHNOLOGIES (SABAH) SDN. BHD.
- 70% PALM NUTRACEUTICALS SDN. BHD.
- 100% WINSOME YIELDS SDN. BHD.
  - 68% WINSOME AL-YATAMA SDN. BHD.
- 100% TYECO CORPORATION SDN. BHD.
- 100% KIM LOONG CORPORATION SDN. BHD.
  - 60% WINSOME PELITA (PANTU) SDN. BHD.
  - 100% KIM LOONG CARUS SDN. BHD.
- 100% SUHENSON ESTATE SDN. BHD.
- 100% OKIDVILLE HOLDINGS SDN. BHD.
  - 51% DESA OKIDVILLE SDN. BHD.
- 100% SELOKAN SDN. BHD.
- 95% OKIDVILLE PLANTATIONS SDN. BHD.
  - 100% OKIDVILLE RESOURCES SDN. BHD.
  - 70% WINSOME JAYA SDN. BHD.
- 100% OKIDVILLE JAYA SDN. BHD.
- 100% WINSOME PLANTATIONS SDN. BHD.
  - 70% WINSOME PELITA (KRANGGAS) SDN. BHD.
- 100% WINSOME SARAWAK PLANTATIONS SDN. BHD.
- 75% KIM LOONG MILLS (SARAWAK) SDN. BHD.
- 100% KIM LOONG GREEN ENERGY SDN. BHD.
  (Formerly known as Kim Loong Huatai Green Energy Sdn. Bhd.)

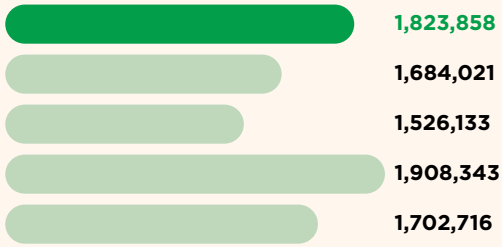
Group Financial Highlights

	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 unplantable 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**

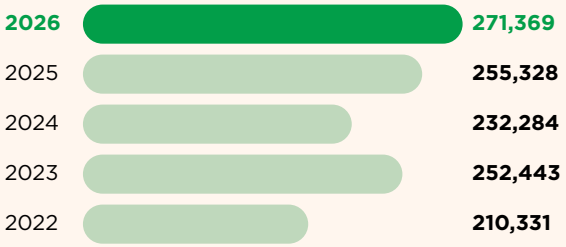
Group Financial Highlights
(CONT'D)

STATEMENT OF COMPREHENSIVE INCOME (RM'000)

REVENUE

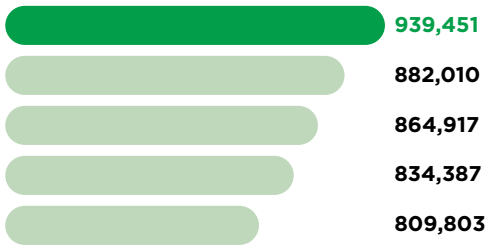


PROFIT BEFORE TAX

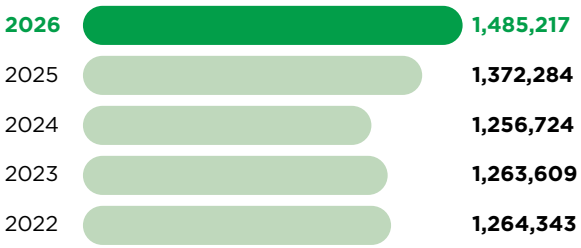


STATEMENT OF FINANCIAL POSITION (RM'000)

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

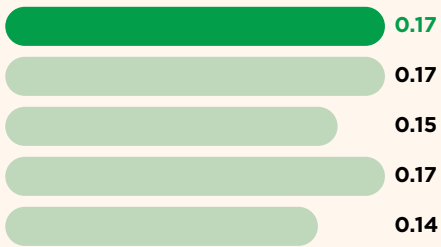


TOTAL ASSETS

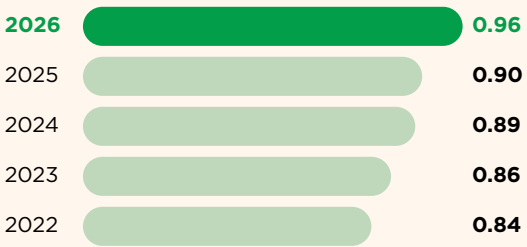


PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)

EARNINGS



NET ASSETS



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 M^3 (FY2025: 31 million M^3) 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.

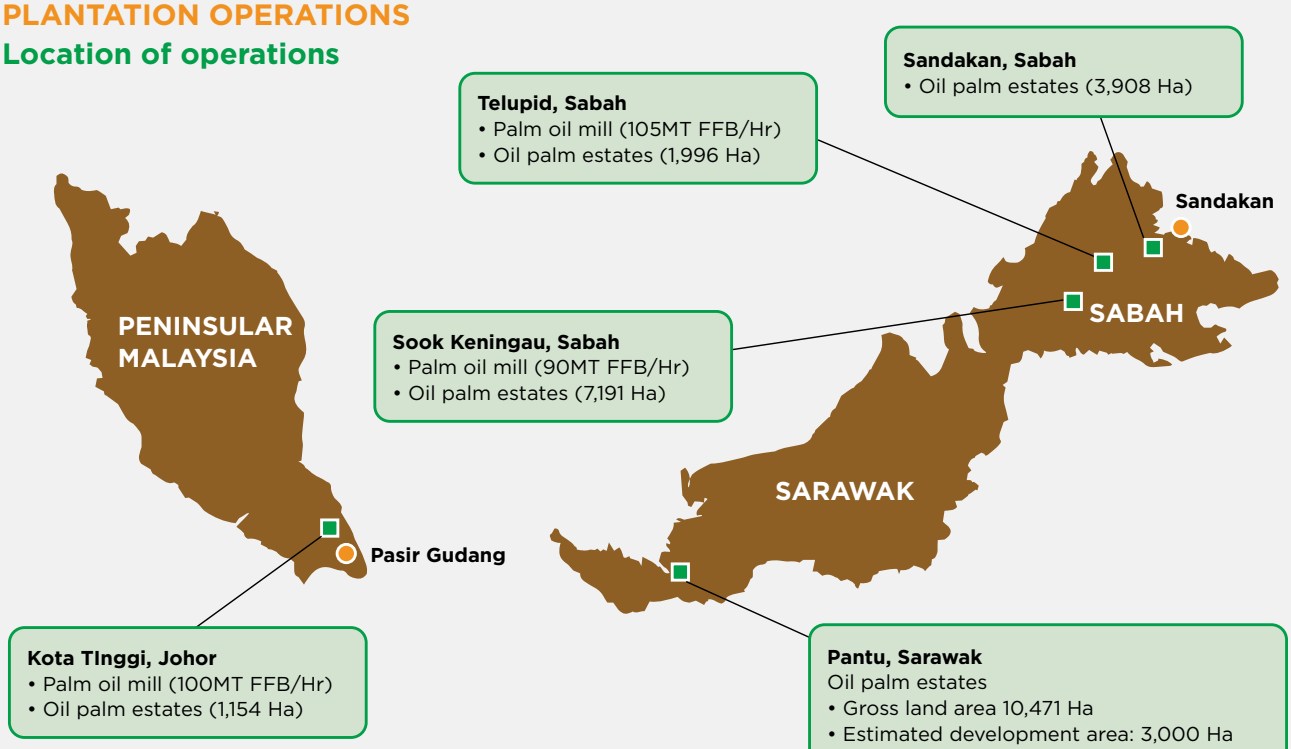
As of 31 January 2026, the Group's total plantation land holdings stood at 17,049 hectares ("Ha") of which 93% are fully planted with oil palms. Of the total planted area, approximately 74% consists of mature palms (above 6 years), 13% are young mature (below 6 years) while the remaining 13% comprises 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

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).

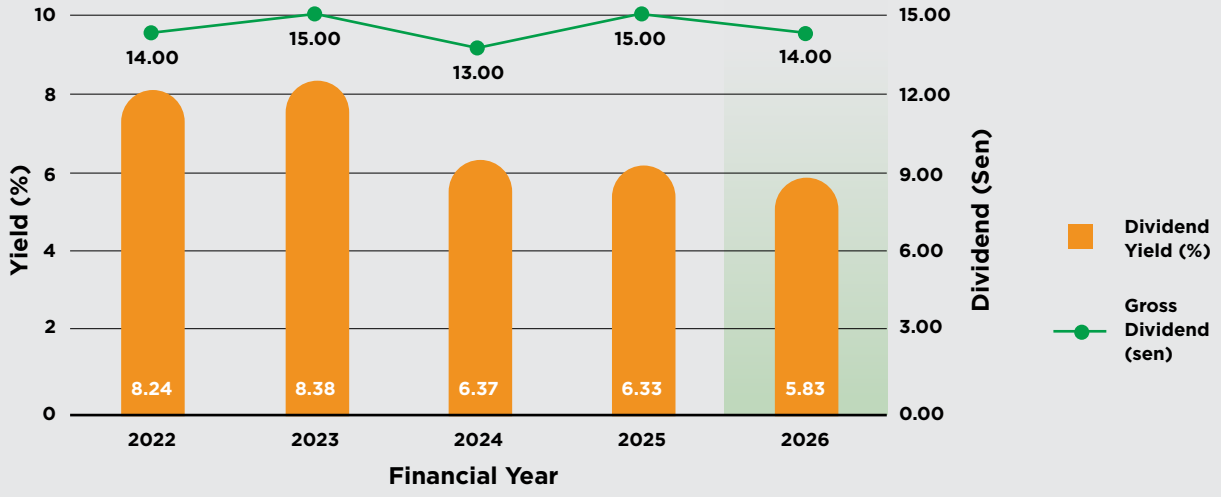
DIVIDEND

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.

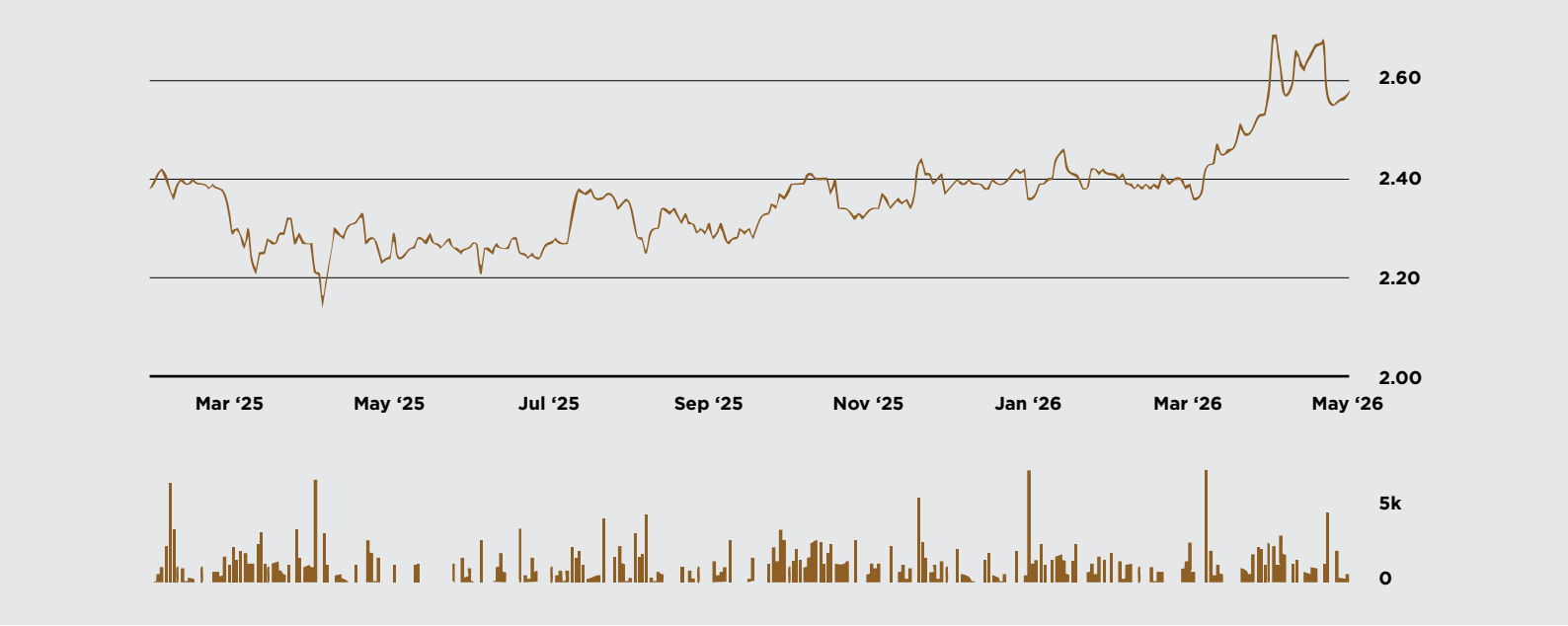
Dividend Payout



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.

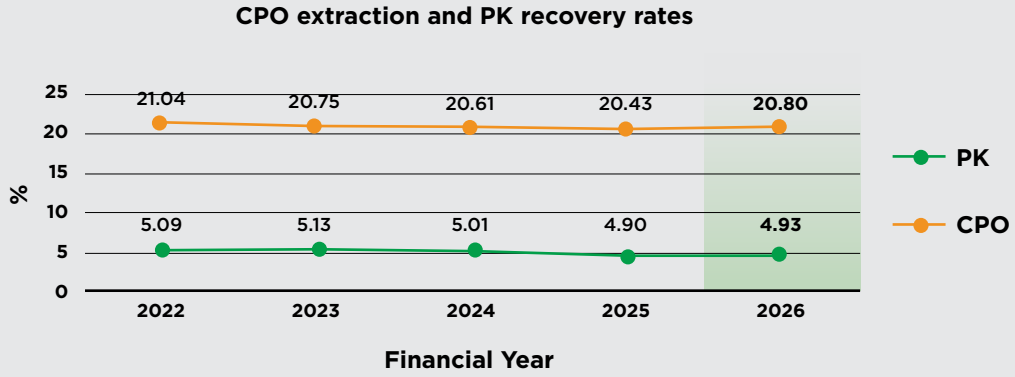
The extraction rate for CPO and recovery rate for PK for FY2026 and FY2025 are analysed as follows:

	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%

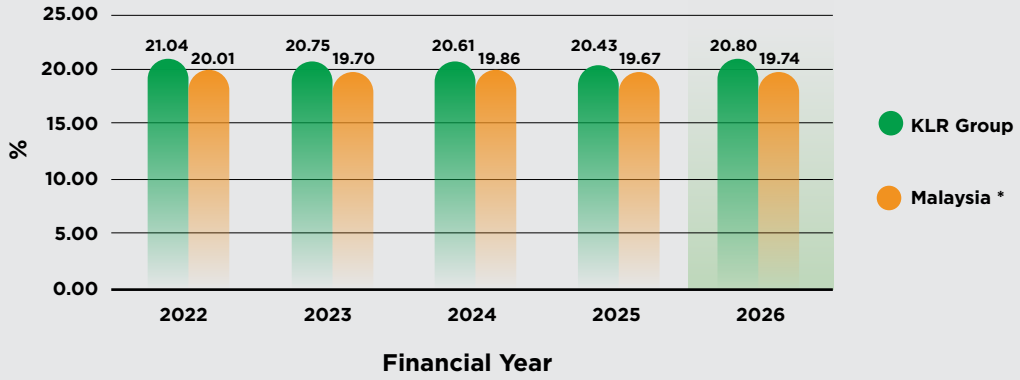
** The statistics for Malaysia National CPO extraction and PK recovery rates are extracted from MPOB website based on calendar year 2025 and 2024 whilst the figures from KLR Group are based on its financial year (Feb – Jan).*

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:



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



** The statistics for Malaysia National CPO extraction rates are extracted from MPOB website based on calendar year 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.

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 M^3 (FY2025: 31 million M^3) 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

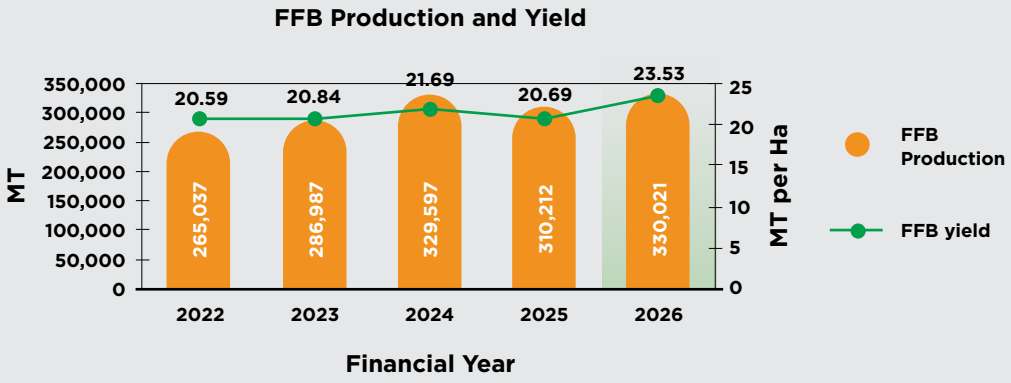
Revenue from plantation operations hit RM279.17 million in FY2026, representing an increase of 9% or RM23.30 million, as compared to RM255.87 million in the previous financial year, mainly due to a 6% higher FFB production with a 3% higher average FFB selling price.

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:

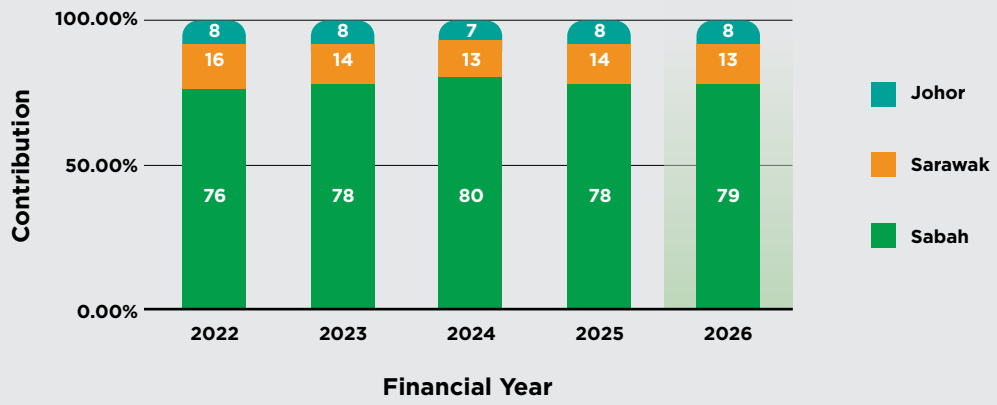


75% and 17% of the Group's productive areas are in Sabah and Sarawak respectively whilst the remainder is in Johor.

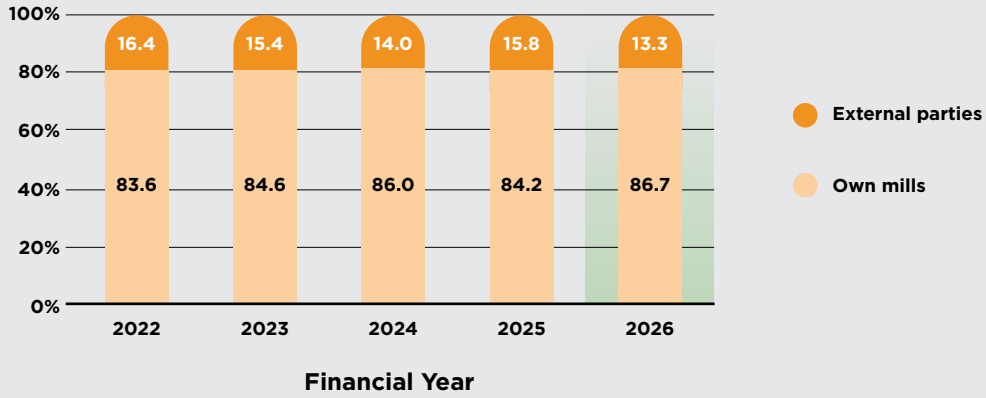
Management Discussion and Analysis
(CONT'D)

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)



Sales of FFB



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.

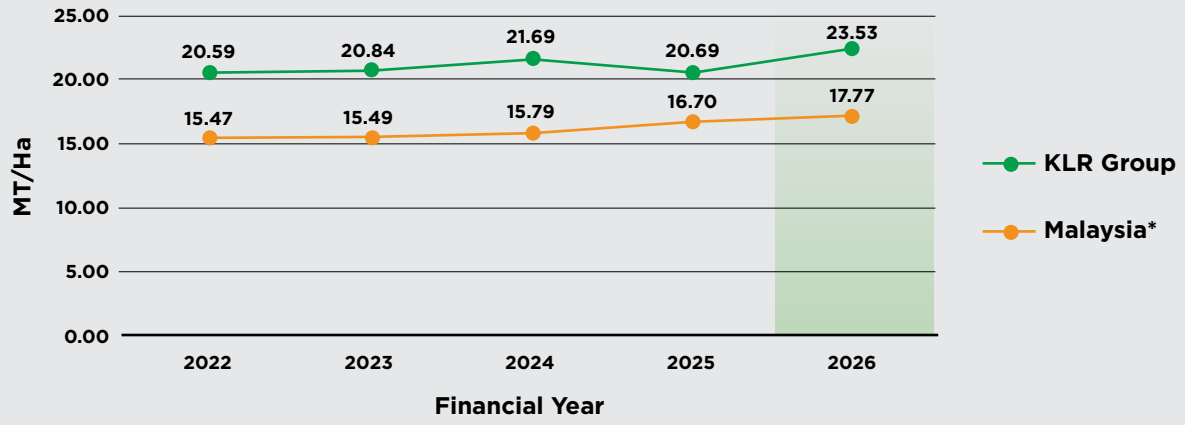
Management Discussion and Analysis
(CONT'D)

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).*

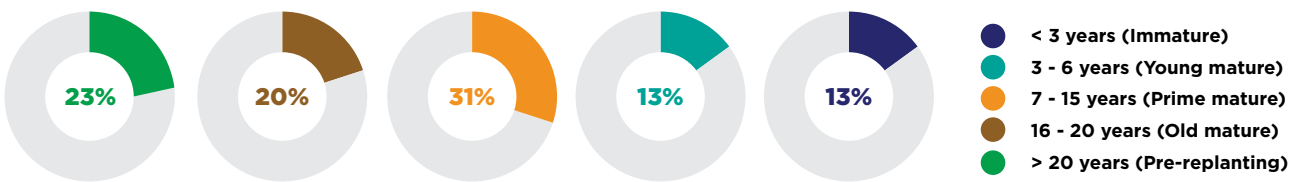
The Group's five (5) year FFB yield performance in comparison with the Malaysia National performance is tabulated below:



** 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 unplantable land) is 15,908 hectares with an average palm age of 14 years.

AGE PROFILE OF PALMS (AS OF 31 JANUARY 2026)



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

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.





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
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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
(CONT'D)

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
(CONT'D)

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
(CONT'D)

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 Brand & Stakeholder Confidence Through MSPO 2.0 Leadership	Enhanced corporate reputation, 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
(CONT'D)

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	Key Concerns	Engagement Platforms	Our Response
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.	• Work-life balance • Workforce development • Healthy and safe work environment • Social issues • Decent living conditions • Decent living wages	• 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	• 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
(CONT'D)



DIRECTORS

Why We Engage	Key Concerns	Engagement Platforms	Our Response
Overseeing management's stakeholder engagement program.	• Progress of sustainability matters • Group's performance • Strategic planning • Concerns raised by other key stakeholders	• Board meetings • Board Committee meetings • Site visits	• 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	Key Concerns	Engagement Platforms	Our Response
Our customers play an important role in our business growth. We interact with customers to be able to understand and meet their expectations.	• 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	• 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	• 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
(CONT'D)



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

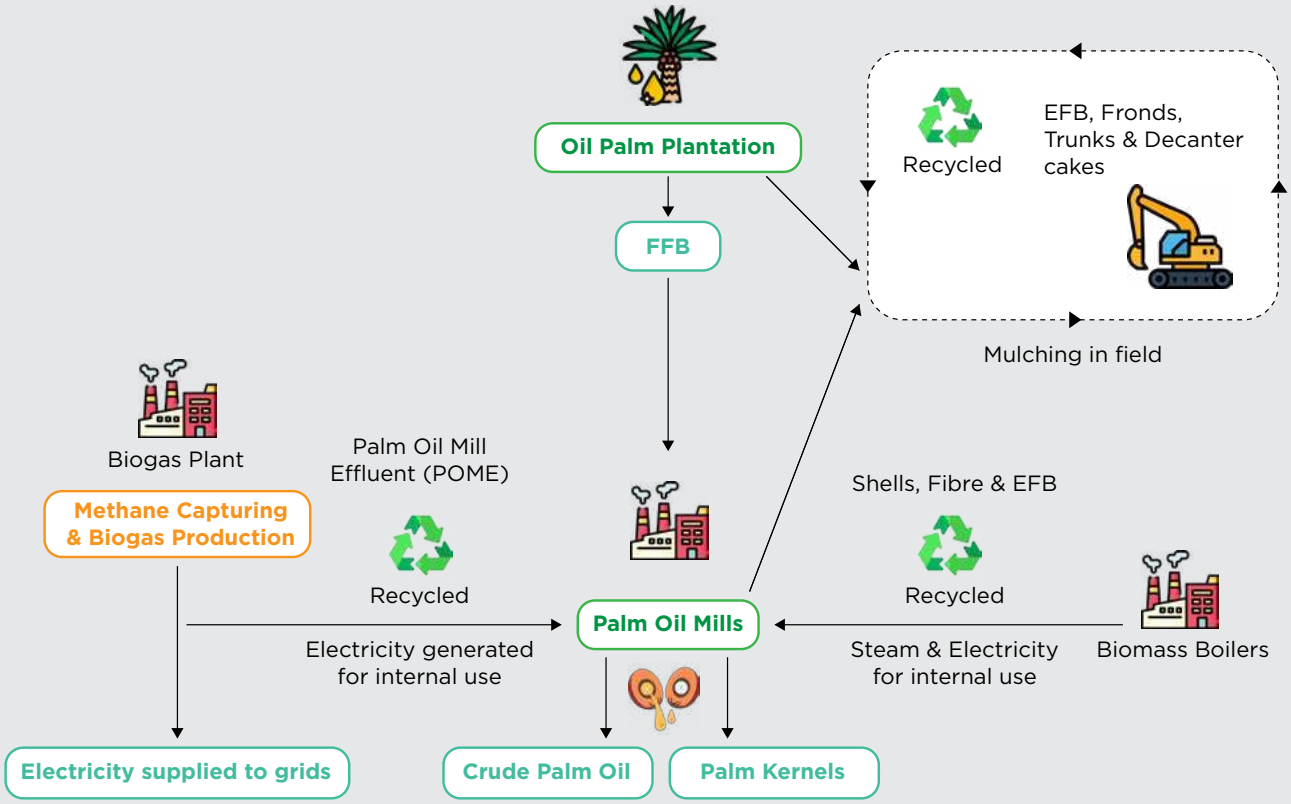
Sustainability Statement
(CONT'D)

BUSINESS PARTNERS / ASSOCIATES

Why We Engage	Key Concerns	Engagement Platforms	Our Response
We continuously engage and build good relationships with our business partners to support the growth of the respective businesses.	• Company performance • Ethical business practices • Good governance and continuous value creation	• Business meetings • Strategic dialogues • Conferences/ forums • Operational site visits	• 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

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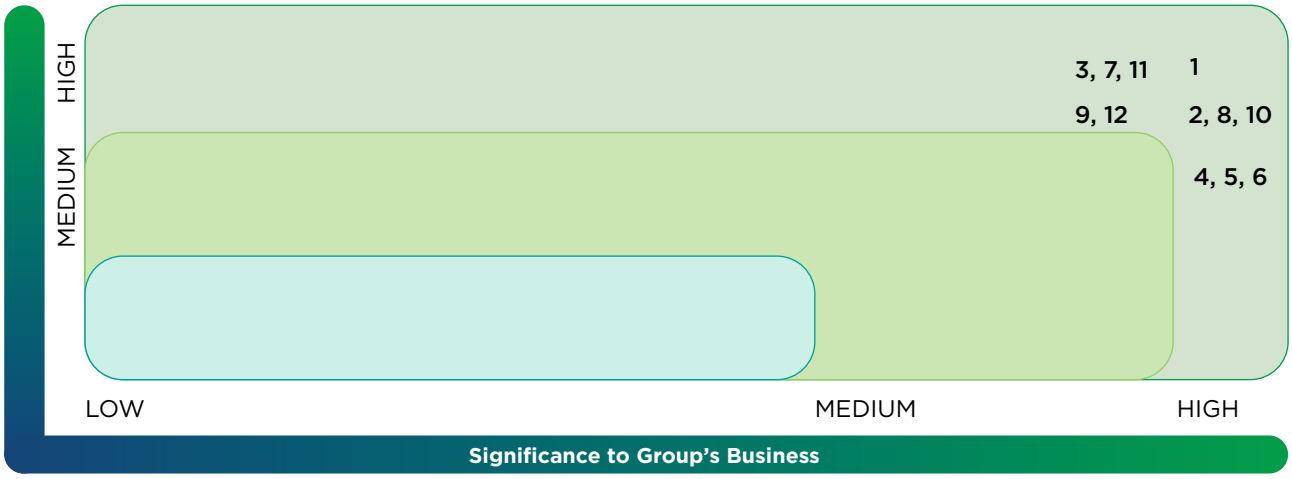

Environmental

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.

Sustainability Statement
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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

Sustainability Statement
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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.

Sustainability Statement
(CONT'D)

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.

Sustainability Statement
(CONT'D)

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 unplantable 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.

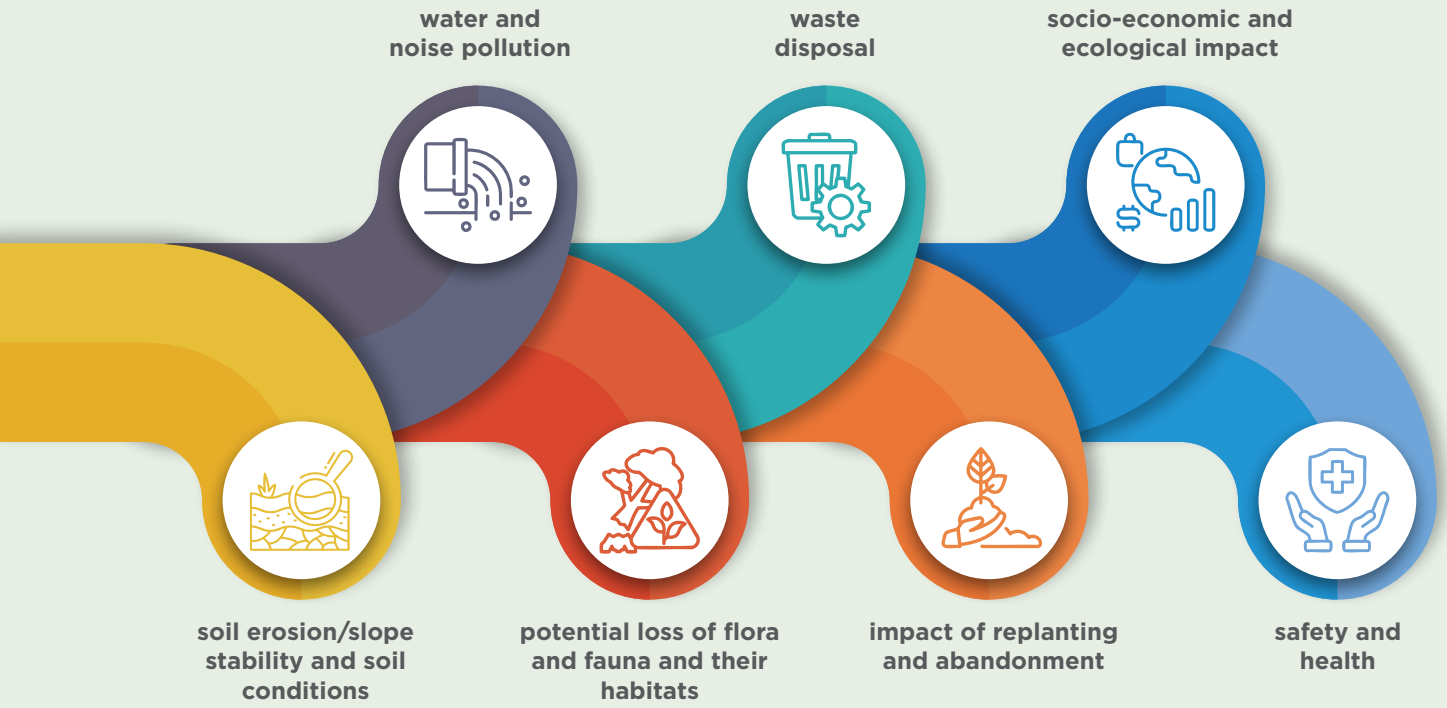
Training on HBV Monitoring and Rehabilitation is conducted for employees in our estates. This training aims to ensure that knowledge on HBV management and implementation of best-practices is updated and relevant.



Sustainability Statement
(CONT'D)

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.

Sustainability Statement
(CONT'D)

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.

Sustainability Statement
(CONT'D)

5. INTERGRATED PEST MANAGEMENT ("IPM")

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

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

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

- Propagation of beneficial plants such as Cassia Cobanensis, Antigonon Leptopus and Turnera Subulata to increase population of predators of pests that could control the population of bagworms and nettle caterpillars in our Group's estates.
- Use of pheromone traps to minimise damage to young palms by rhinoceros beetles.
- Shredding felled trunks into chips of acceptable size to suppress the breeding of rhinoceros beetles.

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

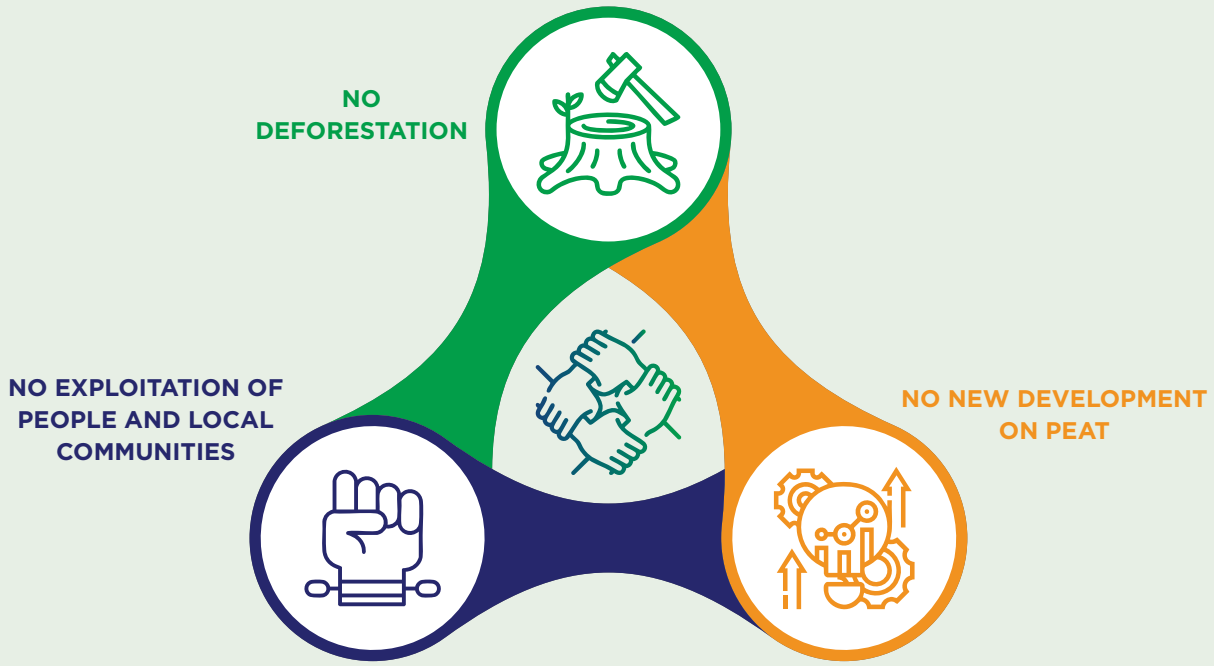
The Field Conductors are trained on spotting pest outbreak by carrying out visual inspection. When an area was identified as high risk, the census team will be deployed to survey the extent of pest infestation. Where possible technology is applied to support and improve the effectiveness of our pest 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

a) 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.

b) Any plantation development activity must identify HCV areas and HCS forests for protection utilising international best practice guidance.

c) Where feasible, explore options for natural forest restoration by working with expert stakeholders and communities.

NO NEW DEVELOPMENT ON PEAT

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

b) Best Management Practices for existing plantation on peat will be stringent and aligned with national, industry and international best practices, which includes guidelines provided by MPOB. Additionally, peat land management shall follow good agriculture practices laid out in our policies, codes and SOPs.

c) Where feasible, explore options for peat restoration by working with expert stakeholders and communities.

NO EXPLOITATION OF PEOPLE AND LOCAL COMMUNITIES

To ensure no exploitation issues, we concern ourselves with:

a) Upholding human rights.

b) Providing safe and healthy workplace.

c) Enhancing employee welfare and promoting career development.

d) Respecting and upholding land rights.

e) Creating shared value for local and national growth.

Sustainability Statement
(CONT'D)

7. REDUCTION OF GREENHOUSE GAS ("GHG") EMISSION

GHG emission from oil palm operations are mainly in the form of carbon dioxide (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)

FY2026	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)
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)

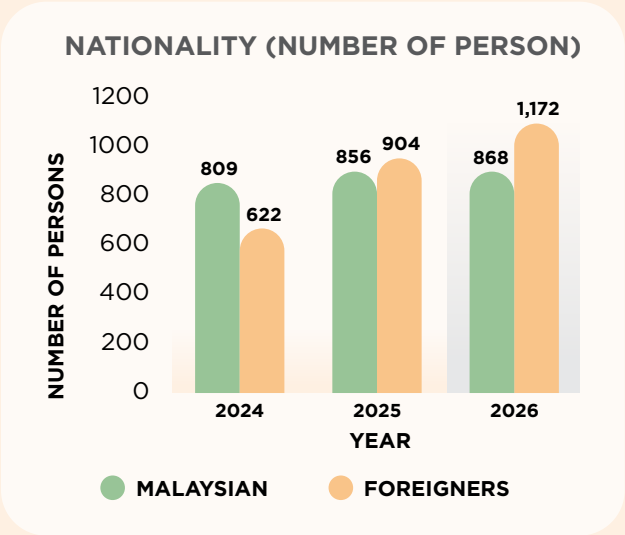
ALL HOUSES WITH GARDEN PLOTS	**5** TRAINED NURSES OR HOSPITAL ASSISTANTS	**6** VISITING MEDICAL OFFICERS
5 COMMUNITY HALLS	**22** PLACES FOR WORSHIP	**3** HUMANA SCHOOL & COMMUNITY LEARNING CENTRE

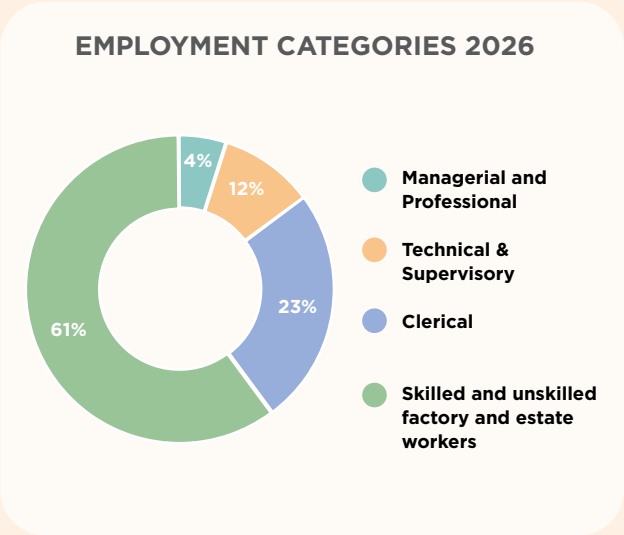
The Group aims to create a positive work culture and environment where its employees are able focus on operational performance and excellence. We also promote a continuous learning culture amongst our employees to enable them to move up the skill value chain.

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
(CONT'D)

OUR EMPLOYEES PROFILE





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 hassel-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
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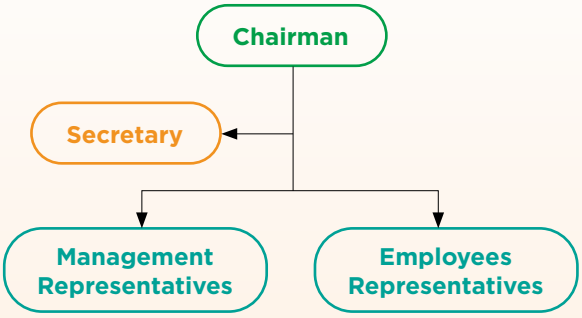


SHC Responsibilities:

- 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.

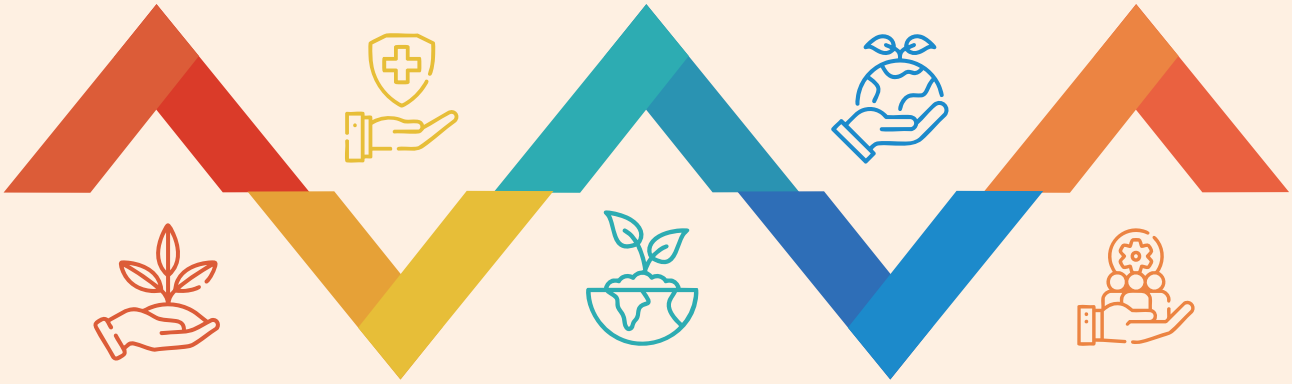
Sustainability Statement
(CONT'D)

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

1. Best Agricultural and Management Practice

3. Environment

5. Human Capital



2. Safety and Health

4. Sustainability

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 Al-Yatama Berhad, an organisation running the orphanage.

The Group has undertaken the development of oil palm plantations on Native Customary Rights ("NCR") land in Sarawak. The aim of this project is to bring social and economic benefits to landowners who are from the indigenous community of Malaysia. The Group now manages 2,800 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 	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. 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.

Sustainability Statement
(CONT'D)

Policies	Purpose
Anti-Bribery and Anti-Corruption Policy 	The Group has a zero-tolerance approach towards corruption, fraud, and bribery. Our Anti-Bribery and Anti-Corruption ("ABC") Policy, aligned with relevant laws and regulations, applies to all employees, directors, and associates. 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%.
Whistleblowing Policy 	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. No reported cases were noted for the Group in FY2026.
Conflict of Interest Policy 	The Group has a robust Conflict of Interest Policy that guides employees in identifying, preventing, and managing potential conflicts of interest. The policy emphasises the importance of acting in the company's best interests and avoiding situations that could compromise judgment. Employees are required to disclose any conflicts of interest, and appropriate measures are taken to address reported conflicts. Regular training programs ensure awareness and promote a culture of transparency and accountability. By upholding this policy, Kim Loong Resources Berhad has prioritises ethical conduct and fosters trust among stakeholders.
Occupational Safety and Health Policy (OSH Policy) 	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. Continuous monitoring, audits, and assessments ensure that our operations align with best practices for health, safety, and environmental sustainability. No major reported incidents were noted for FY2026.

Sustainability Statement
(CONT'D)

Policies	Purpose
Data Protection and Privacy Policy 	The Group values data protection and privacy. Our policy is designed to safeguard personal information, ensuring its security and confidentiality. 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. No reported breaches were noted for the Group in FY2026.
Directors' Fit and Proper Policy 	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.
Employee Handbook 	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.

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

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 CO2e	tCO2e	-	190,578.49*	198,987.02
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	tCO2e	-	1,025.62	1,267.42
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	tCO2e	-	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.

KIM LOONG RESOURCES BHD

BMLR Transition Period

Date & Time: 2026-05-25_10:35:34

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

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

KIM LOONG RESOURCES BHD

BMLR Transition Period

Date & Time: 2026-05-25_10:35:34

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

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

KIM LOONG RESOURCES BHD

BMLR Transition Period

Date & Time: 2026-05-25_10:35:34

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

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

KIM LOONG RESOURCES BHD

BMLR Transition Period

Date & Time: 2026-05-25_10:35:34

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

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

KIM LOONG RESOURCES BHD

BMLR Transition Period

Date & Time: 2026-05-25_10:35:34

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

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	6.10	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

KIM LOONG RESOURCES BHD

BMLR Transition Period

Date & Time: 2026-05-25_10:35:34

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

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

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	190,578	198,987	-	Internal
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,026	1,267	-	Internal
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	57	29	-	Internal
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	488	541	-	Internal