

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|--|---|
| | CURRENT YEAR QUARTER 30/04/2010 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30/04/2009 RM'000 | CURRENT YEAR TO-DATE 30/04/2010 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30/04/2009 RM'000 |
| Revenue | 127,000 | 98,976 | 127,000 | 98,976 |
| Cost of sales | <u>(101,675)</u> | <u>(78,784)</u> | <u>(101,675)</u> | <u>(78,784)</u> |
| Gross profit | 25,325 | 20,192 | 25,325 | 20,192 |
| Other income | 913 | 503 | 913 | 503 |
| Operating expenses | (4,888) | (4,776) | (4,888) | (4,776) |
| Finance costs | <u>(457)</u> | <u>(321)</u> | <u>(457)</u> | <u>(321)</u> |
| Profit before tax | 20,893 | 15,598 | 20,893 | 15,598 |
| Tax expenses | <u>(5,330)</u> | <u>(3,875)</u> | <u>(5,330)</u> | <u>(3,875)</u> |
| Profit for the period | <u>15,563</u> | <u>11,723</u> | <u>15,563</u> | <u>11,723</u> |
| Other comprehensive income for the period | | | | |
| Fair value loss on available-for-sale financial assets | (1) | - | (1) | - |
| Fair value gain on cash flow hedge | 290 | - | 290 | - |
| | 289 | - | 289 | - |
| Total comprehensive income for the period | <u>15,852</u> | <u>11,723</u> | <u>15,852</u> | <u>11,723</u> |
| Profit for the period attributable to : | | | | |
| Owners of the Company | 13,358 | 8,852 | 13,358 | 8,852 |
| Minority interests | <u>2,205</u> | <u>2,871</u> | <u>2,205</u> | <u>2,871</u> |
| | <u>15,563</u> | <u>11,723</u> | <u>15,563</u> | <u>11,723</u> |
| Total comprehensive income for the period attributable to : | | | | |
| Owners of the Company | 13,657 | 8,852 | 13,657 | 8,852 |
| Minority interests | <u>2,195</u> | <u>2,871</u> | <u>2,195</u> | <u>2,871</u> |
| | <u>15,852</u> | <u>11,723</u> | <u>15,852</u> | <u>11,723</u> |
| Earnings per share (sen) : | | | | |
| - Basic | 4.39 | 2.93 | 4.39 | 2.93 |
| - Diluted | 4.36 | 2.91 | 4.36 | 2.91 |
| Dividends per share (sen) | - | - | - | - |

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2010)

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | AS AT 30/04/2010 RM'000 | AS AT 31/01/2010 RM'000 [Restated] |
|--|-------------------------------|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 364,723 | 363,932 |
| Biological assets | 71,105 | 71,671 |
| Available-for-sale financial assets | 41 | 42 |
| Development expenditure | 3,508 | 3,130 |
| Deferred tax assets | 3,324 | 3,330 |
| | 442,701 | 442,105 |
| Current assets | | |
| Inventories | 33,122 | 32,969 |
| Amount due from customers | 27 | 15 |
| Receivables | 29,925 | 24,046 |
| Tax recoverable | 902 | 957 |
| Derivative financial asset | 321 | - |
| Deposits with licensed banks and other financial institution | 72,150 | 58,366 |
| Cash and bank balances | 37,118 | 36,161 |
| | 173,565 | 152,514 |
| TOTAL ASSETS | 616,266 | 594,619 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 304,354 | 304,237 |
| Reserves | 132,115 | 117,733 |
| | 436,469 | 421,970 |
| Minority interests | 40,006 | 37,787 |
| Total equity | 476,475 | 459,757 |
| Non-current liabilities | | |
| Interest bearing borrowings (secured) | 34,996 | 36,747 |
| Other borrowings | 11,794 | 12,801 |
| Derivative financial liability | 31 | - |
| Deferred tax liabilities | 44,570 | 44,129 |
| | 91,391 | 93,677 |
| Current liabilities | | |
| Payables | 28,304 | 29,913 |
| Interest bearing borrowings (secured) | 15,655 | 8,371 |
| Tax payable | 4,441 | 2,901 |
| | 48,400 | 41,185 |
| Total liabilities | 139,791 | 134,862 |
| TOTAL EQUITY AND LIABILITIES | 616,266 | 594,619 |
| Net assets per share (RM) | 1.43 | 1.39 |

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2010)

KIM LOONG RESOURCES BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to owners of the Company | | | | | | | Minority interests | Total equity | |
|--|---------------------------------------|---------------|---------------------|--------------------|-----------------|---------------|------------------|--------------------|---------------|----------------|
| | Non-distributable | | | | Distributable | | | | | |
| | Share capital | Share premium | Revaluation reserve | Fair value reserve | Hedging reserve | Other reserve | Retained profits | | | Total |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| 3 months ended | | | | | | | | | | |
| 30 April 2010 | | | | | | | | | | |
| Balance as at 1 February 2010 | | | | | | | | | | |
| As previously stated | 304,237 | 788 | 43,695 | - | - | 160 | 73,090 | 421,970 | 37,787 | 459,757 |
| Effects of adopting FRS 139 | - | - | - | - | - | - | 683 | 683 | 321 | 1,004 |
| As restated | 304,237 | 788 | 43,695 | - | - | 160 | 73,773 | 422,653 | 38,108 | 460,761 |
| Realisation of revaluation reserve to retained earnings | - | - | (207) | - | - | - | 207 | - | - | - |
| Total comprehensive income for the period | - | - | - | (1) | 300 | - | 13,358 | 13,657 | 2,195 | 15,852 |
| Transactions with owners: | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | - | - | (300) | (300) |
| Share-based payment under ESOS | - | - | - | - | - | 37 | - | 37 | - | 37 |
| Transfer of reserve arising from exercise of ESOS | - | 11 | - | - | - | (11) | - | - | - | - |
| Issuance of shares pursuant to: | | | | | | | | | | |
| - exercise of ESOS | 62 | 12 | - | - | - | - | - | 74 | - | 74 |
| - exercise of Warrants | 55 | - | - | - | - | - | - | 55 | - | 55 |
| Share issuance expenses | - | (7) | - | - | - | - | - | (7) | - | (7) |
| Minority interests' share of losses set off against their advances | - | - | - | - | - | - | - | - | 3 | 3 |
| | 117 | 16 | - | - | - | 26 | - | 159 | (297) | (138) |
| Balance as at 30 April 2010 | 304,354 | 804 | 43,488 | (1) | 300 | 186 | 87,338 | 436,469 | 40,006 | 476,475 |

KIM LOONG RESOURCES BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to owners of the Company | | | | | | | Minority interests | Total equity | |
|---|---------------------------------------|---------------|---------------------|--------------------|-----------------|---------------|------------------|--------------------|---------------|----------------|
| | Non-distributable | | | | | Distributable | | | | |
| | Share capital | Share premium | Revaluation reserve | Fair value reserve | Hedging reserve | Other reserve | Retained profits | | | Total |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| 3 months ended | | | | | | | | | | |
| 30 April 2009 | | | | | | | | | | |
| Balance as at 1 February 2009 | 302,253 | 623 | 44,521 | - | - | 218 | 43,483 | 391,098 | 27,729 | 418,827 |
| Realisation of revaluation reserve to retained earnings | - | - | (206) | - | - | - | 206 | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | 8,852 | 8,852 | 2,871 | 11,723 |
| Transactions with owners: | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Share-based payment under ESOS | - | - | - | - | - | 113 | - | 113 | - | 113 |
| Transfer of reserve arising from exercise of ESOS | - | 46 | - | - | - | (46) | - | - | - | - |
| Issuance of shares pursuant to: | | | | | | | | | | |
| - exercise of ESOS | 413 | 19 | - | - | - | - | - | 432 | - | 432 |
| - exercise of Warrant | 41 | - | - | - | - | - | - | 41 | - | 41 |
| Reversal of minority interests' share of losses previously set off against their advances | - | - | - | - | - | - | - | - | (2) | (2) |
| | 454 | 65 | - | - | - | 67 | - | 586 | (2) | 584 |
| Balance as at 30 April 2009 | <u>302,707</u> | <u>688</u> | <u>44,315</u> | <u>-</u> | <u>-</u> | <u>285</u> | <u>52,541</u> | <u>400,536</u> | <u>30,598</u> | <u>431,134</u> |

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2010)

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 3 months ended 30/04/2010 RM'000 | 3 months ended 30/04/2009 RM'000 |
|--|---|---|
| Net cash from operating activities | 14,633 | 29,268 |
| Net cash used in investing activities | (5,247) | (8,779) |
| Net cash from/(used in) financing activities | 5,711 | (4,304) |
| Net increase in cash and cash equivalents | 15,097 | 16,185 |
| Cash and cash equivalents at beginning of period | 92,853 | 75,278 |
| Cash and cash equivalents at end of period (Note a) | <u>107,950</u> | <u>91,463</u> |

Note a : Cash and cash equivalents at end of period

| | | |
|--|----------------|---------------|
| Cash and bank balances | 37,118 | 13,940 |
| Deposits with licensed banks and other financial institution | 72,150 | 78,456 |
| Bank overdrafts | (1,318) | (933) |
| | <u>107,950</u> | <u>91,463</u> |

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2010)