

**KIM LOONG RESOURCES BERHAD**

(Company Number : 22703-K)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

|  | INDIVIDUAL QUARTER   |                                      | CUMULATIVE QUARTER   |                                     |
|--|----------------------|--------------------------------------|----------------------|-------------------------------------|
|  | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO-DATE | PRECEDING YEAR CORRESPONDING PERIOD |
|  | 30/04/2007 RM'000    | 30/04/2006 RM'000                    | 30/04/2007 RM'000    | 30/04/2006 RM'000                   |
| Revenue                                | 67,964               | 52,253                               | 67,964               | 52,253                              |
| Cost of sales                          | <u>(59,353)</u>      | <u>(45,335)</u>                      | <u>(59,353)</u>      | <u>(45,335)</u>                     |
| Gross profit                           | 8,611                | 6,918                                | 8,611                | 6,918                               |
| Other income                           | 402                  | 2,282                                | 402                  | 2,282                               |
| Operating expenses                     | (3,035)              | (3,218)                              | (3,035)              | (3,218)                             |
| Gain on disposal of subsidiary company | -                    | 75                                   | -                    | 75                                  |
| Finance costs                          | <u>(240)</u>         | <u>(404)</u>                         | <u>(240)</u>         | <u>(404)</u>                        |
| <b>Profit before tax</b>               | 5,738                | 5,653                                | 5,738                | 5,653                               |
| Tax expenses                           | <u>(1,223)</u>       | <u>(1,048)</u>                       | <u>(1,223)</u>       | <u>(1,048)</u>                      |
| <b>Profit for the period</b>           | <u><u>4,515</u></u>  | <u><u>4,605</u></u>                  | <u><u>4,515</u></u>  | <u><u>4,605</u></u>                 |
| Attributable to :                      |                      |                                      |                      |                                     |
| Equity holders of the Company          | 4,550                | 4,643                                | 4,550                | 4,643                               |
| Minority interests                     | <u>(35)</u>          | <u>(38)</u>                          | <u>(35)</u>          | <u>(38)</u>                         |
|  | <u><u>4,515</u></u>  | <u><u>4,605</u></u>                  | <u><u>4,515</u></u>  | <u><u>4,605</u></u>                 |
| <b>Earnings per share (sen) :</b>      |                      |                                      |                      |                                     |
| - Basic                                | 2.65                 | 2.72                                 | 2.65                 | 2.72                                |
| - Diluted                              | 2.11                 | 2.17                                 | 2.11                 | 2.17                                |
| <b>Dividends per share (sen)</b>       | -                    | -                                    | -                    | -                                   |

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2007)

**KIM LOONG RESOURCES BERHAD**

(Company Number : 22703-K)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

|   | <b>AS AT<br/>CURRENT<br/>QUARTER<br/>ENDED<br/>30/04/2007<br/>RM'000</b> | <b>AS AT<br/>PRECEDING<br/>FINANCIAL<br/>YEAR ENDED<br/>31/01/2007<br/>RM'000<br/>(Restated)</b> |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| <b>Non-current assets</b>   |  |  |
| Property, plant and equipment   | 105,095  | 103,601  |
| Biological assets   | 65,385   | 65,360   |
| Prepaid land lease payments   | 168,401  | 168,994  |
| Quoted investments  | 2,212  | 2,212  |
| Development expenditure   | 1,177  | 1,031  |
| Deferred tax assets   | 302  | 270  |
|   | <u>342,572</u>   | <u>341,468</u>   |
| <b>Current assets</b>   |  |  |
| Inventories   | 10,004   | 10,663   |
| Receivables   | 16,785   | 13,634   |
| Tax recoverable   | 795  | 638  |
| Cash and bank balances  | 41,299   | 39,829   |
|   | <u>68,883</u>  | <u>64,764</u>  |
| <b>TOTAL ASSETS</b>   | <u><u>411,455</u></u>  | <u><u>406,232</u></u>  |
| <b>EQUITY AND LIABILITIES</b>   |  |  |
| <b>Equity attributable to equity holders of the Company</b>                             |  |  |
| Share capital   | 173,046  | 171,459  |
| Share premium   | 35,634   | 35,284   |
| Revaluation reserve   | 45,320   | 45,197   |
| Other reserve   | -  | 64   |
| Retained profits  | 66,636   | 61,883   |
|   | <u>320,636</u>   | <u>313,887</u>   |
| Minority interests  | 10,737   | 10,151   |
| <b>Total equity</b>   | <u>331,373</u>   | <u>324,038</u>   |
| <b>Non-current liabilities</b>  |  |  |
| Interest bearing borrowings (secured)   | 11,448   | 12,669   |
| Other borrowings  | 6,954  | 7,575  |
| Deferred tax liabilities  | 33,361   | 33,935   |
|   | <u>51,763</u>  | <u>54,179</u>  |
| <b>Current liabilities</b>  |  |  |
| Payables  | 18,829   | 18,018   |
| Interest bearing borrowings (secured)   | 8,116  | 8,833  |
| Tax payable   | 1,374  | 1,164  |
|   | <u>28,319</u>  | <u>28,015</u>  |
| <b>Total liabilities</b>  | 80,082   | 82,194   |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <u><u>411,455</u></u>  | <u><u>406,232</u></u>  |
| <b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b> | 1.85   | 1.83   |

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2007)

**KIM LOONG RESOURCES BERHAD**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|  | Attributable to equity holders of the Company |               |                          |                     |               |                  | Minority interests | Total equity  |                |
|--|---|---------------|--------------------------|---------------------|---------------|------------------|--------------------|---------------|----------------|
|  | Non-distributable                             |               |                          | Distributable       |               |                  |                    |               |                |
|  | Share capital                                 | Share premium | Reserve on consolidation | Revaluation reserve | Other reserve | Retained profits |                    |               | Total          |
| RM'000   | RM'000  | RM'000        | RM'000                   | RM'000              | RM'000        | RM'000           | RM'000             |               |                |
| <b>3 months ended</b>  |   |               |                          |                     |               |                  |                    |               |                |
| <b>30 April 2007</b>   |   |               |                          |                     |               |                  |                    |               |                |
| <b>Balance as at 1 February 2007</b>                             | 171,459                                       | 35,284        | -                        | 45,197              | 64            | 61,883           | 313,887            | 10,151        | 324,038        |
| Realisation of revaluation surplus, net of tax                   | -   | -             | -                        | (203)               | -             | 203              | -                  | -             | -              |
| Prior year over provision of deferred tax on revaluation surplus | -   | -             | -                        | 326                 | -             | -                | 326                | -             | 326            |
| Share-based payment under ESOS                                   | -   | -             | -                        | -                   | 54            | -                | 54                 | -             | 54             |
| Transfer of reserve arising from exercise of ESOS                | -   | 118           | -                        | -                   | (118)         | -                | -                  | -             | -              |
| Income and expenses recognised directly in equity                | -   | 118           | -                        | 123                 | (64)          | 203              | 380                | -             | 380            |
| Profit/(loss) for the period                                     | -   | -             | -                        | -                   | -             | 4,550            | 4,550              | (35)          | 4,515          |
| Total recognised income and expenses for the period              | -   | 118           | -                        | 123                 | (64)          | 4,753            | 4,930              | (35)          | 4,895          |
| Dividends distributed to equity holders                          | -   | -             | -                        | -                   | -             | -                | -                  | -             | -              |
| Issuance of shares   | 1,587   | 232           | -                        | -                   | -             | -                | 1,819              | -             | 1,819          |
| Minority interests' share of loss set off against their advances | -   | -             | -                        | -                   | -             | -                | -                  | 621           | 621            |
| <b>Balance as at 30 April 2007</b>                               | <b>173,046</b>                                | <b>35,634</b> | <b>-</b>                 | <b>45,320</b>       | <b>-</b>      | <b>66,636</b>    | <b>320,636</b>     | <b>10,737</b> | <b>331,373</b> |

**KIM LOONG RESOURCES BERHAD**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|  | Attributable to equity holders of the Company |               |                          |                     |               |                  | Minority interests | Total equity |                |
|--|---|---------------|--------------------------|---------------------|---------------|------------------|--------------------|--------------|----------------|
|  | Non-distributable                             |               |                          | Distributable       |               |                  |                    |              |                |
|  | Share capital                                 | Share premium | Reserve on consolidation | Revaluation reserve | Other reserve | Retained profits |                    |              | Total          |
| RM'000   | RM'000  | RM'000        | RM'000                   | RM'000              | RM'000        | RM'000           | RM'000             | RM'000       |                |
| <b>3 months ended</b>  |   |               |                          |                     |               |                  |                    |              |                |
| <b>30 April 2006</b>   |   |               |                          |                     |               |                  |                    |              |                |
| <b>Balance as at 1 February 2006</b>                             | 170,864                                       | 35,154        | 11,352                   | 45,981              | -             | 35,381           | 298,732            | 8,779        | 307,511        |
| Prior year adjustments :   |   |               |                          |                     |               |                  |                    |              |                |
| Effect of adopting FRS 3 on goodwill on consolidation            | -   | -             | -                        | -                   | -             | (470)            | (470)              | -            | (470)          |
| <b>As restated</b>   | 170,864                                       | 35,154        | 11,352                   | 45,981              | -             | 34,911           | 298,262            | 8,779        | 307,041        |
| Effect of adopting FRS 3 on reserve on consolidation             | -   | -             | (11,352)                 | -                   | -             | 11,352           | -                  | -            | -              |
| Realisation of revaluation surplus, net of tax                   | -   | -             | -                        | (203)               | -             | 203              | -                  | -            | -              |
| Share-based payment under ESOS                                   | -   | -             | -                        | -                   | 71            | -                | 71                 | -            | 71             |
| Transfer of option reserve due to exercise of option             | -   | 6             | -                        | -                   | (6)           | -                | -                  | -            | -              |
| Income and expenses recognised directly in equity                | -   | 6             | -                        | (203)               | 65            | 203              | 71                 | -            | 71             |
| Profit/(loss) for the period                                     | -   | -             | -                        | -                   | -             | 4,643            | 4,643              | (38)         | 4,605          |
| Total recognised income and expenses for the period              | -   | 6             | -                        | (203)               | 65            | 4,846            | 4,714              | (38)         | 4,676          |
| Issuance of shares   | 15  | 2             | -                        | -                   | -             | -                | 17                 | -            | 17             |
| Minority interests' share of loss set off against their advances | -   | -             | -                        | -                   | -             | -                | -                  | 641          | 641            |
| <b>Balance as at 30 April 2006</b>                               | <u>170,879</u>                                | <u>35,162</u> | <u>-</u>                 | <u>45,778</u>       | <u>65</u>     | <u>51,109</u>    | <u>302,993</u>     | <u>9,382</u> | <u>312,375</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 2007)

**KIM LOONG RESOURCES BERHAD**

(Company Number : 22703-K)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

|   | <b>3 months<br/>ended<br/>30/04/2007<br/>RM'000</b> | <b>3 months<br/>ended<br/>30/04/2006<br/>RM'000</b> |
|---|---|---|
| <b>Net cash from/(used in) operating activities</b>               | 5,866   | (2,497)   |
| <b>Net cash (used in)/from investing activities</b>               | (4,278)   | 3,992   |
| <b>Net cash used in financing activities</b>                      | (1,774)   | (3,250)   |
| <b>Net decrease in cash and cash equivalents</b>                  | (186)   | (1,755)   |
| <b>Cash and cash equivalents at beginning of period</b>           | 38,750  | 30,729  |
| <b>Cash and cash equivalents at end of period (Note a)</b>        | <u>38,564</u>                                       | <u>28,974</u>                                       |
| <b><u>Note a : Cash and cash equivalents at end of period</u></b> |   |   |
| Cash and bank balances  | 41,299  | 30,789  |
| Bank overdrafts   | (2,735)   | (1,815)   |
|   | <u>38,564</u>                                       | <u>28,974</u>                                       |

(The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2007)

# KIM LOONG RESOURCES BERHAD

(Company Number: 22703-K)

## EXPLANATORY NOTES

### A1. Basis of preparation

These interim financial statements, which are unaudited, have been prepared in accordance with Financial Reporting Standard (FRS) 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2007.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 January 2007 except for the adoption of the following amended FRSs effective for the financial period which are relevant to its operations:

|         |                           |
|---------|---------------------------|
| FRS 117 | Leases                    |
| FRS 124 | Related Party Disclosures |

The adoption of FRS 124 does not have significant financial impact on the Group.

Prior to 1 February 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated amortization and impairment loss, if any. The adoption of the revised FRS 117 has resulted in the change in the accounting policy relating to the classification of leases of land. Leasehold land held for own use is now classified as operating lease and where necessary the minimum lease payments or the up-front payments made are allocated between land and the building elements in proportion to the fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid land lease payments and are amortised on a straight line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 February 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid land lease payments as allowed by the transitional provisions. The classification of leasehold land as prepaid land lease payments has been accounted for retrospectively and certain comparatives are restated as follows:

|                               | As previously<br>stated<br>RM'000 | Effects on adoption<br>of FRS 117<br>RM'000 | As restated<br>RM'000 |
|-------------------------------|-----------------------------------|---|-----------------------|
| <b>As at 31 January 2007</b>  |                                   |   |                       |
| Property, plant and equipment | 272,595                           | (168,994)                                   | 103,601               |
| Prepaid land lease payments   | -                                 | 168,994                                     | 168,994               |

## **KIM LOONG RESOURCES BERHAD**

(Company Number: 22703-K)

### **A2. Audit qualification**

The auditors' report of the preceding annual financial statements of the Group did not contain any qualification.

### **A3. Seasonal or cyclical factors**

The production of Fresh Fruit Bunches ("FFB") from the estates and palm oil from the mill is normally low during the first quarter of each year. The production will rise in the second quarter, peak in the third quarter and slowly decline in the fourth quarter. The current quarter production of FFB is broadly in line with the above trend.

### **A4. Unusual items**

There were no unusual items that have material effects on the assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

### **A5. Material changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter.

### **A6. Debt and equity securities**

The Company's issued and paid up capital increased from RM171,458,700 as at 31 January 2007 to RM173,045,900 as at 30 April 2007 as a result of issuance of 1,587,200 new ordinary shares of RM1 each under the Company's Employees' Share Option Scheme ("ESOS").

There were no cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

### **A7. Dividends paid**

No dividends have been paid during the current financial year-to-date.

**KIM LOONG RESOURCES BERHAD**

(Company Number: 22703-K)

**A8. Segmental information**

Major segments by activity:-

|                            | <b>Revenue</b> |            | <b>Results</b> |            |
|----------------------------|----------------|------------|----------------|------------|
|                            | 3 months ended |            | 3 months ended |            |
|                            | 30/04/2007     | 30/04/2006 | 30/04/2007     | 30/04/2006 |
|                            | RM'000         | RM'000     | RM'000         | RM'000     |
| Plantation operations      | 15,696         | 11,892     | 4,776          | 4,715      |
| Milling operations         | 59,799         | 45,352     | 1,803          | 2,097      |
|                            | 75,495         | 58,244     | 6,579          | 6,812      |
| Less:                      |                |            |                |            |
| Inter-segment eliminations | (7,531)        | (5,991)    | (82)           | (323)      |
|                            | 67,964         | 52,253     | 6,497          | 6,489      |
| Less:                      |                |            |                |            |
| Unallocated expenses       |                |            | (519)          | (432)      |
| Finance costs              |                |            | (240)          | (404)      |
| Profit before tax          |                |            | 5,738          | 5,653      |

**A9. Valuation of property, plant and equipment**

The valuations of property, plant and equipment stated in the previous annual financial statements have been brought forward without amendment.

**A10. Material subsequent events**

There are no material events subsequent to the end of the current financial period that have not been reflected in the financial statements for the current financial period up to 25 June 2007.

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

**A12. Contingent liabilities or Contingent assets**

There were no material changes in contingent liabilities at group level since the last annual balance sheet as at 31 January 2007.



## **KIM LOONG RESOURCES BERHAD**

(Company Number: 22703-K)

### **ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

#### **B1. Review of the performance of the Company and its principal subsidiaries**

The revenue and profit before tax (“PBT”) of the Group was RM67.96 million and RM5.74 million respectively for the quarter ended 30 April 2007, as compared to RM52.25 million and RM5.65 million respectively for last year’s corresponding period.

The 30% increase in revenue was mainly contributed by better crude palm oil price which was about 40% higher than last year’s corresponding period.

The current quarter PBT would have been 60% higher than last year’s corresponding period if the non-recurring capital gain of RM2.05 million arising from disposal of a subsidiary company and quoted investments in the first quarter of last year is excluded.

#### **B2. Comparison of profit before tax for the quarter reported on with the immediate preceding quarter**

The PBT for the current quarter was RM5.46 million lower as compared to RM11.20 million achieved last quarter ended 31 January 2007. The lower PBT was mainly due to 33% drop in FFB production and about 18% drop in FFB processed by the mills as first quarter is normally a low crop season.

#### **B3. Current financial year prospects**

For the financial year ending 31 January 2008, we expect a significant increase in the production from both the plantation and milling operations as compared to financial year 2007. With a more productive age profile of the palms, the plantation operations production is expected to increase more than 20% despite low FFB production in the first quarter. For the milling operations, the FFB processed by the mill at Keningau is expected to further increase and will continue to contribute in boosting the palm oil production for the Group.

Based on the above factors and barring any unforeseen circumstances, the Board expects the Group to achieve impressive growth in the financial year ending 31 January 2008.

#### **B4. Variance of actual profit from forecast profit and shortfall in profit guarantee**

This is not applicable

**KIM LOONG RESOURCES BERHAD**

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**B5. Income tax**

|                                | Current<br>Quarter<br>30/04/2007<br>RM'000 | Current<br>Financial<br>Year-to-date<br>30/04/2007<br>RM'000 |
|--------------------------------|--|--|
| <b>Malaysian Income Tax</b>    |  |  |
| - Current year                 | 1,504                                      | 1,504  |
| <b>Deferred tax</b>            |  |  |
| - Current year                 | 66   | 66   |
| - Overprovision in prior years | (347)                                      | (347)  |
|                                | 1,223                                      | 1,223  |

The effective tax rate is lower than the statutory tax rate for the current financial year-to-date mainly due to adjustment on overprovision of deferred tax in prior years.

**B6. Profits/(losses) on sale of unquoted investments and/or properties**

There were no profits/(losses) derived from the sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

**B7. Purchase or disposal of quoted securities**

Changes in the quoted securities held during the financial year-to-date are as follows:

- (a) There were no purchase or disposal of quoted securities during the current quarter and financial year-to-date.
- (b) Total investments in quoted securities as at 30 April 2007:-

|                                   | RM'000 |
|-----------------------------------|--------|
| At Cost                           | 2,567  |
| Allowance for diminution in value | (355)  |
| At Book Value                     | 2,212  |
| At Market Value                   | 2,775  |

Allowance is made for any diminution in value of quoted securities if, in the opinion of the Directors, the decline in value is not temporary in nature.

## KIM LOONG RESOURCES BERHAD

(Company Number: 22703-K)

### B8. Status of corporate proposals

#### Status of corporate proposals not completed as at 25 June 2007

(A) Status of subdivision and transfer of titles of two pieces of plantation land acquired :

The two pieces of the land are registered in favour of two subsidiary companies as the owners of 10,781/12,881 undivided share and 100/12,881 undivided share. The Group has taken steps to procure the subdivision and registration of the two pieces of land into the names of the relevant subsidiaries.

(B) Renounceable Rights Issue with detachable free warrants

The issuance and quotation of the rights shares on Bursa Securities were completed on 29 April 2005.

The total gross proceeds of RM70,455,000 arising from the Rights Issue were utilised as follows:

|  | Approved by<br>Securities<br>Commission | Amount<br>utilised | Balance to be<br>utilised |
|--|---|--------------------|---------------------------|
|  | RM'000                                  | RM'000             | RM'000                    |
| Repayments of bank borrowings                      | 30,000                                  | 30,000             | -                         |
| Property, plant and equipment                      | 24,250                                  | 17,030             | 7,220                     |
| Working capital                                    | 15,205                                  | 15,205             | -                         |
| Estimated expenses relating to the Rights<br>Issue | 1,000                                   | 1,000              | -                         |
| Total proceeds from the Rights Issue               | <u>70,455</u>                           | <u>63,235</u>      | <u>7,220</u>              |

### B9. Group borrowings and debt securities

As at 30 April 2007, the total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

|                         | RM'000        |
|-------------------------|---------------|
| Short term borrowings : |               |
| Overdrafts              | 2,735         |
| Revolving credit        | 500           |
| Term loans              | 4,881         |
|                         | <u>8,116</u>  |
| Long term borrowings :  |               |
| Term loans              | <u>11,448</u> |

There were no interest bearing unsecured borrowings as at 30 April 2007.

### B10. Financial instruments with off balance sheet risks

There were no financial instruments with off balance sheet risks for the current financial year-to-date.

## **KIM LOONG RESOURCES BERHAD**

(Company Number: 22703-K)

### **B11. Material litigation**

The Group is not engaged in any material litigation for the current financial year-to-date.

### **B12. Dividend**

No dividend has been declared or proposed since the end of the previous financial quarter.

### **B13. Earnings per share**

#### **Basic earnings per share (“Basic EPS”)**

The Basic EPS is calculated by dividing the profit attributable to the equity holders of the Company for the current quarter and the first three months by the weighted average number of ordinary shares in issue during the current quarter and the first three months respectively:

|  |          | Current<br>Quarter<br>30/04/2007 | Current<br>Financial<br>Year-to-date<br>30/04/2007 |
|--|----------|----------------------------------|--|
| Net profit for the period                              | (RM'000) | <u>4,550</u>                     | <u>4,550</u>                                       |
| Weighted average number of ordinary<br>shares in issue | ('000)   | <u>171,798</u>                   | <u>171,798</u>                                     |
| Basic EPS  | (sen)    | <u>2.65</u>                      | <u>2.65</u>  |

## KIM LOONG RESOURCES BERHAD

(Company Number: 22703-K)

### Diluted earnings per share (“Diluted EPS”)

The Diluted EPS is calculated by dividing the profit attributable to the equity holders of the Company for the current quarter and the first three months by the weighted average number of ordinary shares in issue during the current quarter and the first three months respectively, which has been adjusted for the following:

- (i) the number of ordinary shares that could have been issued under the Company’s ESOS; and
- (ii) the number of ordinary shares that could have been converted from the warrants issued by the Company.

Shares that are anti-dilutive are ignored in the computation of Diluted EPS.

|  |          | Current<br>Quarter<br>30/04/2007 | Current<br>Financial<br>Year-to-date<br>30/04/2007 |
|--|----------|----------------------------------|--|
| Net profit for the period  | (RM'000) | 4,550                            | 4,550  |
| Weighted average number of ordinary<br>shares in issue                     | ('000)   | 171,798                          | 171,798  |
| Impact on shares under option that would<br>have been issued at fair value | ('000)   | 1,424                            | 1,424  |
| Assumed exercise of warrants   | ('000)   | 42,700                           | 42,700   |
| Adjusted weighted average number of<br>shares for Diluted EPS              | ('000)   | 215,922                          | 215,922  |
| Diluted EPS  | (sen)    | 2.11                             | 2.11   |