

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/01/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2015 RM'000	CURRENT YEAR TO-DATE 31/01/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2015 RM'000
Revenue	172,375	181,252	757,730	774,925
Cost of sales	<u>(146,035)</u>	<u>(149,196)</u>	<u>(619,678)</u>	<u>(623,220)</u>
Gross profit	26,340	32,056	138,052	151,705
Other income	2,275	4,250	9,900	11,401
Operating expenses	(13,919)	(14,243)	(39,325)	(42,969)
Finance costs	<u>(237)</u>	<u>(314)</u>	<u>(1,048)</u>	<u>(1,274)</u>
Profit before tax	14,459	21,749	107,579	118,863
Tax	<u>144</u>	<u>(4,509)</u>	<u>(21,911)</u>	<u>(29,174)</u>
Profit for the period	<u>14,603</u>	<u>17,240</u>	<u>85,668</u>	<u>89,689</u>
Other comprehensive income:				
Cash flow hedge	-	-	-	6
Increase in reserve arising from:				
- disposal of assets	-	23	-	23
- change in tax rate	-	597	-	597
Tax relating to other comprehensive income	-	-	-	(2)
Other comprehensive income for the period, net of tax	-	620	-	624
Total comprehensive income for the period	<u>14,603</u>	<u>17,860</u>	<u>85,668</u>	<u>90,313</u>
Profit for the period attributable to :				
Owners of the Company	12,364	13,647	73,787	75,279
Non-controlling interests	<u>2,239</u>	<u>3,593</u>	<u>11,881</u>	<u>14,410</u>
	<u>14,603</u>	<u>17,240</u>	<u>85,668</u>	<u>89,689</u>
Total comprehensive income for the period attributable to :				
Owners of the Company	12,364	14,175	73,787	75,810
Non-controlling interests	<u>2,239</u>	<u>3,685</u>	<u>11,881</u>	<u>14,503</u>
	<u>14,603</u>	<u>17,860</u>	<u>85,668</u>	<u>90,313</u>
Earnings per share (sen) :				
- Basic	3.97	4.40	23.71	24.31
- Diluted	N/A	4.39	N/A	24.30
Dividends per share (sen)	6.00	6.00	23.00	13.00

(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 2015)

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT QUARTER ENDED 31/01/2016 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	394,725	390,072
Biological assets	84,989	83,125
Land use rights	2,248	2,363
Deferred tax assets	13,522	11,011
	495,484	486,571
Current assets		
Inventories	43,956	26,061
Receivables	28,451	17,640
Prepayments	5,293	4,253
Tax recoverable	419	189
Deposits with licensed banks and other financial institutions	187,234	213,626
Cash and bank balances	44,241	57,856
	309,594	319,625
TOTAL ASSETS	805,078	806,196
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	311,804	311,109
Reserves	269,721	266,539
Treasury shares	(1,558)	(1,496)
	579,967	576,152
Non-controlling interests	74,250	73,869
Total equity	654,217	650,021
Non-current liabilities		
Interest bearing borrowings (secured)	25,595	32,965
Other payables	272	1,209
Deferred tax liabilities	51,887	51,530
	77,754	85,704
Current liabilities		
Payables and accruals	51,779	45,995
Interest bearing borrowings (secured)	17,725	20,943
Tax payable	3,603	3,533
	73,107	70,471
Total liabilities	150,861	156,175
TOTAL EQUITY AND LIABILITIES	805,078	806,196
Net assets per share (RM)	1.86	1.85

(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 2015)

KIM LOONG RESOURCES BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Non-distributable					Distributable				
	Share capital	Share premium	Revaluation reserve	Hedging reserve	Other reserve	Retained profits	Treasury shares			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Year ended										
<u>31 January 2016</u>										
Balance as at 1 February 2015	311,109	5,505	40,002	-	761	220,271	(1,496)	576,152	73,869	650,021
Changes in equity for the year:										
Realisation of revaluation reserve to retained earnings	-	-	(832)	-	-	832	-	-	-	-
Profit or loss	-	-	-	-	-	73,787	-	73,787	11,881	85,668
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	73,787	-	73,787	11,881	85,668
Dividends	-	-	-	-	-	(71,583)	-	(71,583)	(11,500)	(83,083)
Share-based payment under ESOS	-	-	-	-	95	-	-	95	-	95
Transfer of reserve arising from exercise of ESOS	-	236	-	-	(236)	-	-	-	-	-
Transfer of reserve upon expiry of ESOS	-	-	-	-	(620)	620	-	-	-	-
Issuance of shares pursuant to: - exercise of ESOS	695	886	-	-	-	-	-	1,581	-	1,581
Buy-back of shares	-	-	-	-	-	-	(62)	(62)	-	(62)
Expenses in relation to issuance of shares	-	(3)	-	-	-	-	-	(3)	-	(3)
Total for transactions with owners	695	1,119	-	-	(761)	(70,963)	(62)	(69,972)	(11,500)	(81,472)
Balance as at 31 January 2016	<u>311,804</u>	<u>6,624</u>	<u>39,170</u>	<u>-</u>	<u>-</u>	<u>223,927</u>	<u>(1,558)</u>	<u>579,967</u>	<u>74,250</u>	<u>654,217</u>

KIM LOONG RESOURCES BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Non-distributable					Distributable				
	Share capital	Share premium	Revaluation reserve	Hedging reserve	Other reserve	Retained profits	Treasury shares			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Year ended										
31 January 2015										
Balance as at 1 February 2014	308,958	2,502	40,393	(3)	760	190,629	(503)	542,736	75,535	618,271
Changes in equity for the year:										
Realisation of revaluation reserve to retained earnings	-	-	(919)	-	-	919	-	-	-	-
Profit or loss	-	-	-	-	-	75,279	-	75,279	14,410	89,689
Other comprehensive income	-	-	528	3	-	-	-	531	93	624
Total comprehensive income for the year	-	-	528	3	-	75,279	-	75,810	14,503	90,313
Dividends	-	-	-	-	-	(46,544)	-	(46,544)	(15,860)	(62,404)
Share-based payment under ESOS	-	-	-	-	706	-	-	706	-	706
Transfer of reserve arising from exercise of ESOS	-	705	-	-	(705)	-	-	-	-	-
Issuance of shares pursuant to: - exercise of ESOS	2,151	2,337	-	-	-	-	-	4,488	-	4,488
Buy-back of shares	-	-	-	-	-	-	(993)	(993)	-	(993)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(376)	(376)
Dilution of interest in subsidiary company	-	-	-	-	-	(12)	-	(12)	12	-
Issuance of shares to non-controlling interests of subsidiary company	-	-	-	-	-	-	-	-	55	55
Expenses in relation to issuance of shares	-	(39)	-	-	-	-	-	(39)	-	(39)
Total for transactions with owners	2,151	3,003	-	-	1	(46,556)	(993)	(42,394)	(16,169)	(58,563)
Balance as at 31 January 2015	<u>311,109</u>	<u>5,505</u>	<u>40,002</u>	<u>-</u>	<u>761</u>	<u>220,271</u>	<u>(1,496)</u>	<u>576,152</u>	<u>73,869</u>	<u>650,021</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 2015)

KIM LOONG RESOURCES BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31/01/2016 RM'000	Year ended 31/01/2015 RM'000
Operating activities		
Cash receipts from customers	749,655	778,520
Rental received	183	167
Interest received	8,774	8,307
Cash paid to suppliers and employees	(643,931)	(614,934)
Cash generated from operations	114,681	172,060
Interest paid	(974)	(1,130)
Tax paid	(24,226)	(29,197)
Net cash from operating activities	89,481	141,733
Investing activities		
Net cash effects on disposal of subsidiary company	6	-
Additional investment in existing subsidiary company	-	(322)
Proceeds from disposal of property, plant and equipment	638	257
Acquisition of biological assets and property, plant and equipment	(36,736)	(43,817)
Proceeds from compulsory acquisition	-	472
Interest paid	(1,241)	(1,065)
Net cash used in investing activities	(37,333)	(44,475)
Financing activities		
Proceeds from issuance of shares	1,581	4,488
Proceeds from issuance of shares to non-controlling interests (NCI) in subsidiary companies	-	55
Expenses paid in relation to issuance of shares	(3)	(39)
Drawdown of bank borrowings	-	8,335
Repayments of bank borrowings	(6,022)	(5,247)
Dividend paid to shareholders of the Company	(71,583)	(46,544)
Dividend paid to NCI in subsidiary companies	(11,500)	(15,860)
Purchase of treasury shares	(62)	(993)
Net cash used in financing activities	(87,589)	(55,805)
Net (decrease)/increase in cash and cash equivalents	(35,441)	41,453
Cash and cash equivalents at beginning of year	264,061	222,608
Cash and cash equivalents at end of year (Note a)	<u>228,620</u>	<u>264,061</u>
Note a : Cash and cash equivalents at end of year		
Cash and bank balances	44,241	57,856
Deposits with licensed banks and other financial institutions	187,234	213,626
Bank overdrafts	(2,855)	(7,421)
	<u>228,620</u>	<u>264,061</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 2015)

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EXPLANATORY NOTES

A1. Basis of preparation

The interim financial report is unaudited and has 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 report should be read in conjunction with the audited financial statements for the financial year ended 31 January 2015. 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 2015.

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 2015 except for the adoption of the amended FRSs and IC Interpretation which are relevant to the Group’s operations with effect from 1 February 2015 as set out below:

Amendments to FRS 119 Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010-2012 Cycle
Annual Improvements to FRSs 2011-2013 Cycle

The Directors do not expect any material impact on the financial statements arising from adoption of the above standards.

The Group has not elected for early adoption of the following new and amended FRSs relevant to the current operations of the Group, which were issued but not yet effective for the financial year ending 31 January 2016:

	Effective for financial periods beginning on or after
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127 : Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 9 Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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Malaysian Financial Reporting Standards (MFRS Framework)

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Company falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2019. In presenting its first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The Group and the Company are in the midst of assessing the impact of adopting the MFRS Framework.

A2. Seasonal or cyclical factors

The production of Fresh Fruit Bunches ("FFB") from our mature estates is normally low during the second quarter of each year and will rise in the third quarter, peak in the fourth quarter and then slowly decline in the first quarter of the following year. The production of FFB for the current quarter was 27% lower comparing to the preceding quarter which was broadly in line with production trend observed.

A3. 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.

A4. Material changes in estimates

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

A5. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the year ended 31 January 2016 except for the following:

- (a) Issuance of 695,100 new ordinary shares of RM1 each under the Company's Employees' Share Option Scheme ("ESOS"); and
- (b) Repurchase of 20,000 ordinary shares of RM1 each of its issued share capital from the open market for a total consideration of RM61,972 at the average price of RM3.08 per share.

The ESOS has expired on 17 March 2015.

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A6. Dividends paid

The gross dividends paid during the current financial year-to-date were as follows:

- (a) A final single tier dividend of 6 sen per ordinary share in respect of the financial year 2015 was paid on 28 August 2015.
- (b) A special single tier dividend of 10 sen per ordinary share in respect of the financial year 2016 was paid on 28 August 2015.
- (c) An interim single tier dividend of 7 sen per ordinary share in respect of the financial year 2016 was paid on 20 November 2015.

A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	Year ended		Year ended	
	31/01/2016	31/01/2015	31/01/2016	31/01/2015
	RM'000	RM'000	RM'000	RM'000
Plantation operations	124,930	142,959	46,894	63,154
Milling operations	738,611	751,454	57,261	52,255
	863,541	894,413	104,155	115,409
Add/(Less):				
Inter-segment eliminations	(105,811)	(119,488)	(41)	2,543
	<u>757,730</u>	<u>774,925</u>	104,114	117,952
Less:				
Unallocated expenses			(4,211)	(6,164)
Finance income			8,724	8,349
Finance costs			(1,048)	(1,274)
			<u>107,579</u>	<u>118,863</u>
Profit before tax				
Tax expenses			(21,911)	(29,174)
			<u>85,668</u>	<u>89,689</u>
Profit for the year				

A8. Material subsequent events

As at 25 March 2016, there were no material subsequent events that have not been reflected in the financial statements for the current financial year.

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A9. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year-to-date, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the following:

- (a) On 18 September 2015, the Company disposed of 2 ordinary shares of RM1 each fully paid representing 100% equity interest in Okidville Corporation Sdn. Bhd. to Kim Loong Plantations Sdn. Bhd., a related company, at RM3,000 per share for a total consideration of RM6,000.

A10. Contingent liabilities or Contingent assets

As at 25 March 2016, there were no material changes in contingent liabilities or contingent assets at Group level since the end of last annual reporting period at 31 January 2015. Save for disclosed in Note B9, there were no contingent liabilities or contingent assets, which upon becoming enforceable, may have material effect on the net assets, profits or financial position of our Group.

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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 were recorded marginally lower at RM757.73 million and RM107.58 million respectively for the financial year ended 31 January 2016, as compared to RM774.93 million and RM118.86 million respectively for the corresponding period last year.

Performance analysis by segments:

	Revenue			
	Quarter ended		Year-to-date ended	
	31/01/2016	31/01/2015	31/01/2016	31/01/2015
	RM'000	RM'000	RM'000	RM'000
Plantation operations	27,399	33,444	124,930	142,959
Milling operations	168,245	176,274	738,611	751,415
	195,644	209,718	863,541	894,374

	Results			
	Quarter ended		Year-to-date ended	
	31/01/2016	31/01/2015	31/01/2016	31/01/2015
	RM'000	RM'000	RM'000	RM'000
Plantation operations	7,203	13,109	46,894	63,152
Milling operations	8,616	11,225	57,261	52,255
	15,819	24,334	104,155	115,407

Plantation operations

The revenue from plantation operations dropped by 18% and 13% for the current quarter and the year-to-date respectively as compared to the respective corresponding periods last year. In terms of profit, the current quarter recorded a profit of RM7.20 million which was significantly lower than RM13.11 million in last year same quarter. The drop in performance for the current quarter was mainly due to 17% drop in FFB production.

For the current year-to-date, the profit achieved was 26% lower than the corresponding period last year. The lower revenue and profit for the current year-to-date were mainly due to lower FFB price.

The FFB production for the current quarter was 64,400 MT which was 17% lower than last year fourth quarter. For the year-to-date, the FFB production was 299,400 MT which was marginally lower than 304,700 MT achieved in last year. The drop in FFB production in the current quarter is broadly in line with the FFB yield performance in the regions.

The plantation operations did not face problem in selling its FFB production as most of the produce was supplied to mills within the Group. The average FFB prices were 2% and 11% lower for the current quarter and year-to-date comparing to the respective corresponding periods last year.

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Palm oil milling operations

Comparing to the corresponding periods last year, the revenue for the current quarter dropped by 5% while no significant difference for the current year-to-date. The milling operations have recorded a profit of RM8.62 million in the current quarter which was 23% lower comparing to the profit achieved in the corresponding period last year. The drop in profit was mainly due the recognition of impairment of assets of RM1.2 million as well as lower sales quantity of CPO in the current quarter.

For the year-to-date, the profit of RM57.26 million achieved was about 10% higher than last year corresponding period. The good performance in the current year-to-date was mainly contributed by higher processing quantity and better margin.

Total CPO production for the current quarter and year-to-date were 66,000 MT and 297,200 MT respectively. The production for the current quarter was similar to previous year corresponding quarter whilst for the year-to-date, it was 12% higher than the production in last year.

The market condition and demand for the Group's milling products has been good and steady for the current quarter and year-to-date. The sale of CPO, the main product, for the current quarter and year-to-date were 62,700 MT and 289,600 MT respectively, which were 6% lower and 7% higher comparing to the respective corresponding periods last year. The average prices of CPO for the current quarter and year-to-date were both in the region of RM2,150 per MT which were about 2% and 9% lower comparing to the respective corresponding periods last year.

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

The PBT for the current quarter was RM14.46 million which was 62% lower than RM37.61 million achieved in the preceding quarter ended 31 October 2015. The drop in profit was mainly caused by drop in production. The FFB production for the current quarter was 64,400 MT which was 27% lower than 88,600 MT achieved in the preceding quarter. The drop in FFB production is broadly in line with the FFB yield performance in the regions.

As for the milling operations, FFB processed during the current quarter was 292,200 MT which was 25% lower than 392,200 MT recorded in the preceding quarter due to sharp drop in FFB production in the regions. The average price of CPO for the current quarter stood at about RM2,150 per MT level which was 5% higher than the preceding quarter.

B3. Current financial year prospects

For the financial year ending 31 January 2017, we foresee an increase in FFB production from young mature area but in view of the potential effects being caused by the current El Nino, we expect the FFB production to be flat while the CPO production could be lower, comparing to the quantity achieved in the financial year 2016.

Subject to the fluctuation in the Ringgit currency and commodity market, we hope that the CPO price could move towards higher level considering potential drop in CPO supply caused by the current El Nino.

Based on the above, we expect the Group's performance for the financial year 2017 to be satisfactory.

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

This is not applicable.

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B5. Income tax

	Current Quarter Ended 31/01/2016 RM'000	Financial Year-to-date Ended 31/01/2016 RM'000
Malaysian Income Tax		
- Current year	1,564	23,963
- Underprovision in prior year	45	101
	1,609	24,064
Deferred tax		
- Current year	(293)	(485)
- Realisation of revaluation surplus on land	(69)	(277)
- Overprovision of liabilities in prior year	(47)	(47)
- Underprovision of assets in prior year	(1,344)	(1,344)
	(1,753)	(2,153)
	<u>(144)</u>	<u>21,911</u>

The effective tax rate is lower than the statutory tax rate for the current quarter mainly due to adjustments on provision of deferred tax assets in prior year and underestimation of tax incentives in prior quarters.

As for the financial year-to-date, the lower effective tax rate is mainly due to adjustments on provision of deferred tax assets in prior year and utilization of tax incentives.

B6. Status of corporate proposals

There is no outstanding corporate proposal as at 25 March 2016.

B7. Group borrowings and debt securities

As at 31 January 2016, the total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	RM'000
Short term borrowings :	
Overdrafts	2,855
Revolving credit	7,500
Term loans	7,370
	<u>17,725</u>
Long term borrowings :	
Term loans	<u>25,595</u>

There were no unsecured interest bearing borrowings as at 31 January 2016.

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B8. Breakdown of realised and unrealised profits or losses of the Group

The breakdown of the retained profits of the Group is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	At as 31/01/2016 RM'000	At as 31/01/2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	300,693	298,292
- Unrealised	(20,937)	(22,784)
	<u>279,756</u>	<u>275,508</u>
Less: Consolidation adjustments	(55,829)	(55,237)
Retained earnings as per consolidated accounts	<u>223,927</u>	<u>220,271</u>

B9. Material litigation

As at 25 March 2016, there were no material litigations against the Group except for the following:

Prior to the acquisition of the subsidiary company, Tetangga Akrab Pelita (Pantu) Sdn. Bhd. (currently known as Winsome Pelita (Pantu) Sdn. Bhd.), announced by the Company on 1 December 2009, there were several legal claims made against that subsidiary company by natives for customary rights to land that subsidiary company has development rights over.

On 18 February 2011, the High Court Civil Suit No. 22-1-2005-I (SG) gave judgment against the subsidiary company was delivered at Kuching High Court, which had been announced to Bursa Securities on 22 February 2011.

On 9 March 2011, the Court of Appeal had granted a stay of execution of the Judgment delivered by the High Court.

The Group has filed an Appeal against the said High Court decision and our Memorandum and Record of Appeal subsequently filed on 11 April 2011. The Appeal was heard on 17 October 2012 but the Court of Appeal reserved Ruling.

On 29 December 2014, more than 2 years after the hearing of the said Appeal, the decision of the Court of Appeal was delivered. Only a summary of the grounds of judgment was read out by the Senior Assistant Registrar and the Court of Appeal dismissed the Appeal. The full ground of judgment was issued on 26 January 2015.

The Group has accounted for impairment of assets and provision of liabilities of RM3.4 million.

The Group has filed its Appeal against the Court of Appeal Decision to the Federal Court a Notice of Motion for Leave to Appeal and has also filed to the Court of Appeal, a Notice of Motion for an extension of Court of Appeal Order to stay the High Court Judgment in January 2015.

The Federal Court has on 14 January 2016 allowed the subsidiary company's Notice of Motion for Leave to Appeal to the Federal Court against the decision of the Court of Appeal.

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B10. Dividend

The Board is pleased to propose a final single tier dividend of 6 sen per share in respect of the financial year ended 31 January 2016 subject to shareholders' approval at the forthcoming 41st Annual General Meeting.

- (a) (i) amount per share: 6 sen;
 - (ii) previous corresponding period: 6 sen;
 - (iii) date of payment: 29 August 2016; and
 - (iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of the depositors as at 12 August 2016; and
- (b) total dividend for the current financial year: 23 sen single tier per share.

B11. Earnings per share

Basic earnings per share ("Basic EPS")

The Basic EPS is calculated by dividing the profit attributable to the owners of the Company for the current quarter and the financial year by the weighted average number of ordinary shares in issue during the current quarter and the first half year respectively, excluding treasury shares held by the Company:

		Current Quarter Ended 31/01/2016	Financial Year-to-date Ended 31/01/2016
Net profit for the period/year	(RM'000)	12,364	73,787
Weighted average number of ordinary shares in issue	('000)	311,221	311,161
Basic EPS	(sen)	3.97	23.71

Diluted earnings per share ("Diluted EPS")

Not applicable

B12. Audit qualification

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

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B13. Profit before tax

Profit before tax is arrived at after charging/(crediting) the following items:

	Current Quarter Ended 31/01/2016 RM'000	Financial Year-to-date Ended 31/01/2016 RM'000
(a) Interest income	(1,998)	(8,724)
(b) Other income including investment income	(277)	(1,176)
(c) Interest expense	237	1,048
(d) Depreciation and amortization	7,443	28,043
(e) Provision for and write off of receivables	127	166
(f) Provision for and write off of inventories	13	13
(g) Gain or loss on disposal of quoted or unquoted investment or properties	6	6
(h) Impairment of assets	1,207	1,414
(i) Foreign exchange gain or loss	-	-
(j) Gain or loss on derivatives	-	58
(k) Exceptional items	-	-
