Nurturing The Future
Protect The Environment
Opening New Frontiers

Annual Report **2010**

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

CREATING VALUE

The principal activities of the KLR Group may be divided into two main areas: plantation operations and milling operations. Years of experience and expertise have allowed the KLR Group to mature and excel in both activities.

CONTENTS

CORPORATE MILESTONES

2008

Commissioned the 3rd palm oil mill at Telupid, Sabah.

Commissioned our first CDM project at Kota Tinggi in August 2008.

Kim Loong Resources Berhad received an award from Malaysia Cocoa Board under cocoa estate category.

2007

Keningau mill was awarded by MPOB as the highest OER mill in Malaysia in year 2007.

The Group undertook another CDM project in Keningau mill.

Commissioned the world's first palm-pressed fibre oil extraction plant.

2006

The Group undertook a biogas plant in 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.

Corporate Milestones

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 extract tocotrienol concentrates from CPO under Kim Loong Technologies Sdn. Bhd. and Palm Nutraceuticals Sdn. Bhd. respectively.

2002

Construction of the Keningau Mill which commenced operations in February 2003.

Kota Tinggi Mill won the most innovative mill award by MPOB.

2000

Diversification into bio-fertilizer business under Kim Loong Evergrow Sdn. Bhd. Kim Loong Resources Berhad was listed on the Main Board of the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad).

1999

As part of the listing restructuring exercise, KLPO group (milling operations at Kota Tinggi, Johor) and Kim Loong Corporation Sdn. Bhd. ("KLC") (the plantation and milling operations at Sook, Keningau, Sabah) were transferred to Kim Loong Resources Berhad.

1998

Incorporation of KLC by SKL to enter into a JV with Desa Cattle (S) Sdn. Bhd. to develop 17,731 acres of land in Keningau, Sabah into oil palm plantation and to erect new palm oil mill in Sook, Keningau, Sabah.

1997

Incorporation of Desa Kim Loong Plantations Sdn. Bhd. (currently known as Kim Loong – KPD Plantations Sdn. Bhd.) to enter into a 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.

1993

Incorporation of Kim Loong Palm Oil Mills Sdn. Bhd. by SKL (currently a subsidiary of Kim Loong Resources Berhad) to undertake the milling operation and relocation of palm oil mill to Kota Tinggi, Johor which commenced operations in 1996.

1981

Sharikat Kim Loong Sendirian Berhad ("SKL"), holding company of Kim Loong Resources Berhad expanded into Sabah by acquiring 1,000 acres of land in Sandakan, Sabah.

1967

SKL commenced business with 1,000-acre rubber plantation at Ulu Tiram, Johor. (The first planting of oil palm started in 1968)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-fifth Annual General Meeting of Kim Loong Resources Berhad will be held at Jasmine Junior Ball Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 30 July 2010 at 2.30 p.m. for the following purposes :-

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2010 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final single tier tax exempt dividend of 6 sen per share in respect of the financial year ended 31 January 2010. **(Resolution 2)**

3. To re-elect the following Directors retiring in accordance with Article 77 of the Articles of Association of the Company :-

   Gooi Seong Lim **(Resolution 3)**
   Gooi Seong Gum **(Resolution 4)**

4. To appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

   Notice of nomination pursuant to Section 172(11) of Companies Act, 1965, by Sharikat Kim Loong Sendirian Berhad, a copy of which is annexed hereto and marked as "Annexure A", has been received by the Company for the nomination of M/s. Ernst & Young, who have given their consent to act, as Auditors of the Company and of their intention to propose the following Ordinary Resolution at the meeting-

   "THAT M/s. Ernst & Young be appointed as Auditors of the Company in place of the retiring Auditors, M/s. SKW Associates, at a remuneration to be fixed by the Directors and to hold office until the conclusion of the next Annual General Meeting."

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

   ORDINARY RESOLUTION I – AUTHORITY TO ISSUE SHARES

   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as they may 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 Malaysia Securities Berhad provided always that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued capital 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. " **(Resolution 6)**

   ORDINARY RESOLUTION II – 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, 1965 ("the Act"), the provisions of the Company's Memorandum and Articles of Association 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 :-

   1. 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 30,448,121 representing 10% of the issued and paid-up share capital of the Company as at 15 June 2010 ;

   2. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the combined total of the audited retained profits and/or the share premium reserves of the Company as at 31 January 2010 of RM35,076,677 and RM787,441 respectively ;

   3. 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 ;

   4. 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 ; 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 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." **(Resolution 7)**

SPECIAL RESOLUTION
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

"THAT the existing Article 138 of the Articles of Association of the Company be deleted in its entirety and substituted with the new Article 138 as set out below -

138. Payment of dividend, interest or other money payable in cash, by cheque or electronic transfer

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or paid via electronic transfer of remittance to the account provided by the holder who is named on the Register of Depositors. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order of the person to whom it is sent or remitted, and the payment of any such cheque or warrant or electronic transfer of remittance shall operate as a good discharge to the Company in respect of the dividend, interest or other money payable in cash represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon, or the instruction for the electronic transfer of remittance, has been forged. Every such cheque or warrant or electronic transfer of remittance shall be sent or remitted at the risk of the person entitled to the money thereby represented." **(Resolution 8)**

6. To consider any other business for which due notice shall have been given.

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Thirty-fifth Annual General Meeting, the final single tier tax exempt dividend of 6 sen per share in respect of the financial year ended 31 January 2010 will be paid on 18 August 2010 to depositors registered in the Record of Depositors on 3 August 2010.

A depositor shall qualify for entitlement only in respect of :-

(a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 3 August 2010 in respect of ordinary transfers ; and

(b) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

CHONG FOOK SIN (MACS 00681)
NG KAM MAY (f) (MAICSA 7020575)
Company Secretaries

Petaling Jaya
8 July 2010

NOTES:

(1) Proxy -
A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to 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 forty-eight (48) hours before the time set for holding the meeting. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney.

(2) Resolution 6 -
This resolution, if passed, will give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the issued capital of the Company for such purposes as the Directors consider would be 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.

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 24 July 2009 and which will lapse at the conclusion of the Thirty-fifth Annual General Meeting.

In circumstances where an expansion/diversification plan requires the issue of new shares, the authority will enable the Directors to take prompt action and to avoid delay and cost in convening general meetings to approve such issue of shares.

(3) Resolution 7 -
The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 8 July 2010 which is enclosed together with the Annual Report 2010.

(4) Resolution 8 -
This resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to the Electronic Dividend payment ("eDividend").

"Annexure A"

SHARIKAT KIM LOONG SDN. BHD. (7315-V)

Registered office: Unit No.203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor.
Tel: 03-71182688 Fax: 03-71182693

2nd July, 2010

The Board of Director
Kim Loong Resources Berhad
Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS20/27,
47400 Petaling Jaya, Selangor.

Dear Sirs,

Nomination of Auditors

Pursuant to Section 172(11) of the Companies Act, 1965, We, being a shareholder of Kim Loong Resources Berhad, hereby give notice of nomination of M/s. Ernst & Young as Auditors of the Company in place of the retiring Auditors, M/s. SKW Associates, and of our intention to propose the following as an ordinary resolution at the forthcoming Annual General Meeting of the Company-

"THAT M/s. Ernst & Young be appointed as Auditors of the Company in place of the retiring Auditors, M/s. SKW Associates, at a remuneration to be fixed by the Directors and to hold office until the conclusion of the next Annual General Meeting."

Yours truly,
SHARIKAT KIM LOONG SDN. BHD.

Gooi Seong Lim
Director

Lot 18.02, 18th Floor, Public Bank Tower, 19 Jalan Wong Ah Fook, 80000 Johor Bahru.
Tel: (07) 224 8316, 224 8318, 223 3481 Fax: (07) 223 2562

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 are the Directors standing for re-election pursuant to Article 77 of the Articles of Association of the Company at the Thirty-fifth Annual General Meeting:-

Gooi Seong Lim
Gooi Seong Gum

The profile of the Directors standing for re-election are set out in pages 14 to 15 of this Annual Report.

(2) (a) There were seven (7) Board of Directors' Meetings during the financial year ended 31 January 2010. All the meetings were held at Lot 18.02, 18th Floor, Public Bank Tower, No. 19, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor except that two (2) held on 23 July 2009 and 10 September 2009 at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya. The date and time of the meetings were as follows:-

Date of Meeting	**Time**
Monday, 30 March 2009	11.10 a.m.
Friday, 26 June 2009	11.45 a.m.
Thursday, 23 July 2009	2.05 p.m.
Thursday, 10 September 2009	9.30 a.m.
Wednesday, 30 September 2009	2.00 p.m.
Thursday, 26 November 2009	2.30 p.m.
Tuesday, 22 December 2009	10.45 a.m.

(b) Attendance of Directors at the Board Meetings held during the financial year ended 31 January 2010 are as follows -

Name of Director	**Attendance at Meeting**	**Percentage of Attendance (%)**
Gooi Seong Lim	7/7	100
Gooi Seong Heen	7/7	100
Gooi Seong Chneh	6/7	86
Gooi Seong Gum	7/7	100
Gan Kim Guan	6/7	86
Teoh Cheng Hai	7/7	100
Chew Poh Soon	7/7	100

(3) The Thirty-fifth Annual General Meeting will be held at Jasmine Junior Ball Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 30 July 2010 at 2.30 p.m.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Gooi Seong Lim
Executive Chairman

Gooi Seong Heen
Managing Director

Gooi Seong Chneh
Executive Director

Gooi Seong Gum
Executive Director

Gan Kim Guan
Senior Independent
Non-executive Director

Teoh Cheng Hai
Independent Non-executive Director

Chew Poh Soon
Independent Non-executive Director

AUDIT COMMITTEE

Gan Kim Guan
Chairman

Teoh Cheng Hai

Chew Poh Soon

COMPANY SECRETARIES

Chong Fook Sin (MACS 00681)
Ng Kam May (MAICSA 7020575)

REGISTERED OFFICE

Unit 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

REGISTRAR

Tacs Corporate Services Sdn. Bhd. (231621-U)
Unit No. 203, 2nd Floor,
Block C, Damansara Intan,
No.1, Jalan SS20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 03 7118 2688
Fax : 03 7118 2693

AUDITORS

SKW Associates
Chartered Accountants
(Firm No. AF 0312)
4Q - 4Q3, Jalan Tun Abdul Razak (Susur 3),
80200 Johor Bahru,
Johor Darul Takzim.

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
(295400-W)

HSBC Bank Malaysia Berhad
(127776-V)

Malayan Banking Berhad
(3813-K)

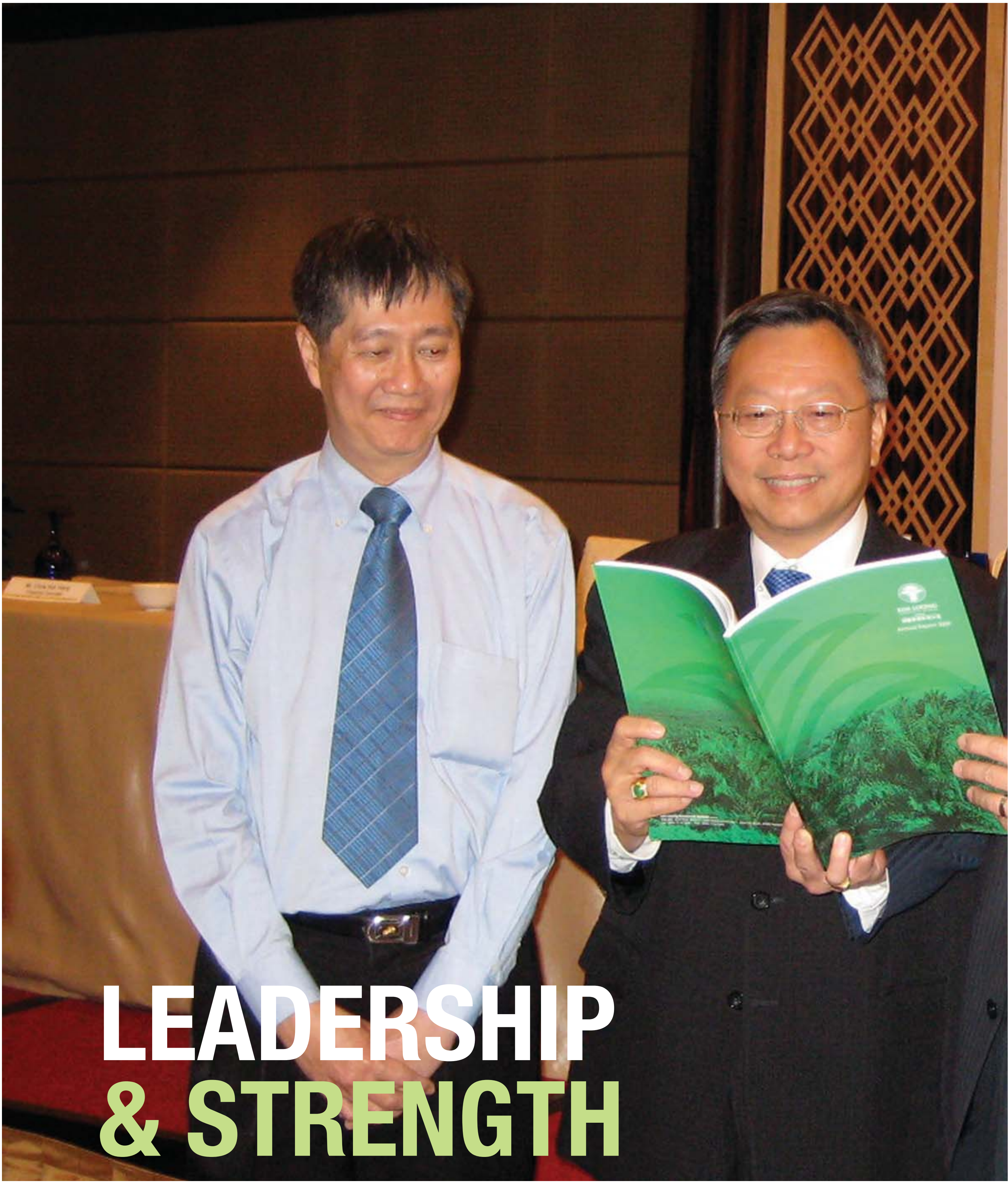
Public Bank Berhad
(6463-H)

AmBank (M) Berhad
(8515-D)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Stock Short Name : KMLOONG
Stock Code : 5027



LEADERSHIP & STRENGTH

LOONG
RCES BERHAD
(22703-K)
源有限公司
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BOARD OF DIRECTORS

from left to right:

Gooi Seong Lim Executive Chairman **Gooi Seong Heen** Managing Director **Gooi Seong Chneh** Executive Director
Gooi Seong Gum Executive Director **Gan Kim Guan** Senior Independent Non-executive Director
Chew Poh Soon Independent Non-executive Director **Teoh Cheng Hai** Independent Non-executive Director
Chong Fook Sin Company Secretary **Ng Kam May** Company Secretary

GOOI SEONG LIM

Aged 61, a Malaysian, 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 is also a member of the Remuneration Committee with effect from 27 March 2002. He graduated from the University of Toronto, Canada, with a Bachelor of Applied Science degree in Mechanical Engineering in 1972 and a Master's degree in Mechanical Engineering in 1975. From 1972 to 1975, he was an engineer of Spar Aerospace Ltd, an engineering company based in Toronto, Canada, specialising in the design and computer simulations of Canadian Communication Satellite and subsequently, with Atomic Energy of Canada Ltd based in Toronto, Canada, a quasi-government company specialising in the design of Canadian nuclear reactors. 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"), a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Since 1977, he has been a director of Kim Loong Palm Oil Sdn. Bhd. ("KLPO") which is involved in palm oil milling. 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, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the seven (7) Board meetings held during the financial year 2010.

GOOI SEONG HEEN

Aged 59, a Malaysian, 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 was also a member of the Audit Committee until 8 January 2008. 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 a director of CCB and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving KLR, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the seven (7) Board meetings held during the financial year 2010.

GOOI SEONG CHNEH

Aged 55, a Malaysian, 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 is a member of the Professional Engineers Association of Alberta, Canada. 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 Sabah 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, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended six (6) of the seven (7) Board meetings held during the financial year 2010.

GOOI SEONG GUM

Aged 54, a Malaysian, 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 currently sits on the Board of CCB and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving KLR, except that he is deemed interested in the transactions entered into with SKL Group (excluding KLR) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the seven (7) Board meetings held during the financial year 2010.

GAN KIM GUAN

Aged 47, a Malaysian, was appointed to the Board of KLR as an Independent Non-executive Director on 28 March 2001. He is currently the Senior Independent Non-executive Director of KLR. He was appointed as a member of the Audit Committee on 28 March 2001 and currently, he is the Chairman of the Audit Committee. He also sits as a member of both the Nominating and Remuneration Committees with effect from 27 March 2002. He is a Chartered Accountant and has experience in accounting and financing related work. He is also a director of CCB.

Mr Gan is a member of the Association of Chartered Certified Accountants, and a Chartered Accountant of the Malaysian Institute of Accountants. He has no personal interest in any business arrangement involving KLR. He has not been convicted of any offences within the past 10 years. He attended six (6) of the seven (7) Board meetings held during the financial year 2010.

TEOH CHENG HAI

Aged 65, a Malaysian, was appointed to the Board of KLR as an Independent Non-executive Director on 1 August 2001. He is a member of the Audit Committee of KLR with effect from 27 September 2001 and is the Chairman of both the Nominating and Remuneration Committees of KLR with effect from 27 March 2002. He graduated with a Bachelor of Agricultural Science Degree from the University of Malaya in 1968. He has more than 35 years experience in the plantation industry, principally in research and development and in total quality & environment management. He was formerly Director of R&D (1989-1995) and Director, Quality & Environment Management (1995-2000) of Golden Hope Plantations Berhad. He was the 1st Secretary-General of the Roundtable on Sustainable Palm Oil ("RSPO") in 2004/05 and served as Advisor to the RSPO Executive Board 2005/06. He was the Honorary Advisor (Plantation Agriculture) to World Wide Fund for Nature ("WWF") Malaysia from 2001 - 2004. He is a member of the Faculty of SustainAbility Ltd, UK since 2000.

Mr Teoh has no personal interest in any business arrangement involving KLR. He has not been convicted of any offences within the past 10 years. He attended all the seven (7) Board meetings held during the financial year 2010.

CHEW POH SOON

Aged 65, a Malaysian, was an Independent Non-executive Director of KLR from 21 July 2000 to 30 April 2001. He was re-appointed an Independent Non-executive Director and a member of the Audit Committee of KLR on 30 March 2006. A graduate from University of Malaya with Bachelor of Agricultural Science (Hon) in 1967 and Master of Agricultural Science in 1976, he was Head of Agricultural Research of HRU Sdn Bhd and following that, Applied Agricultural Research Sdn. Bhd., a joint venture between Boustead Holdings Berhad and Kuala Lumpur Kepong Berhad till his retirement in March 2000. He was Plantation Director (Peninsula Malaysia) of IOI Corporation Berhad from 2001 to 2003. He has been closely involved in professional activities in the plantation industry and holds fellowships from the Incorporated Society of Planters, Malaysian Society of Soil Science and Malaysian Oil Scientists' and Technologists' Association.

Mr Chew has no personal interest in any business arrangement involving KLR. He has not been convicted of any offences within the past 10 years. He attended all the seven (7) Board meetings held during the financial year 2010.

FAMILY RELATIONSHIPS

Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum are brothers. Save for the above, none of the other Directors are related.

Group Structure
as at 31 January 2010

- **70%** Desa Kim Loong Palm Oil Sdn. Bhd. (463620-W)
  - **100%** Kim Loong Technologies (Sabah) Sdn. Bhd. (824331-K)
- **100%** Kim Loong Palm Oil Sdn. Bhd. (30999-P)
  - 100% Kim Loong Palm Oil Mills Sdn. Bhd. (267654-P)
    - **100%** Sungkit Enterprise Sdn. Bhd. (85011-K)
    - **60%** Kim Loong Evergrow Sdn. Bhd. (487153-H)
- **70%** Kim Loong - KPD Plantations Sdn. Bhd. (416387-H)
- **90%** Winsome Yields Sdn. Bhd. (401571-W)
  - **68%** Winsome Al-Yatama Sdn. Bhd. (667441-P)
- **100%** Okidville Holdings Sdn. Bhd. (458944-P)
  - **51%** Desa Okidville Sdn. Bhd. (463619-U)
- **100%** Kim Loong Sabah Mills Sdn. Bhd. (254996-D)
- **70%** Palm Nutraceuticals Sdn. Bhd. (651470-H)
- **100%** Kim Loong Technologies Sdn. Bhd. (667439-M)
- **100%** Kim Loong Power Sdn. Bhd. (588578-H)
- **70%** Desa Kim Loong Industries Sdn. Bhd. (504278-K)
- **100%** Suhenson Estate Sdn. Bhd. (48091-V)
- **100%** Tyeco Corporation Sdn. Bhd. (478277-W)
- **100%** Lokan Development Sdn. Bhd. (43447-H)
- **100%** Selokan Sdn. Bhd. (47569-V)
- **100%** Okidville Corporation Sdn. Bhd. (48946-U)
- **100%** Kim Loong Corporation Sdn. Bhd. (458947-T)
  - **60%** Winsome Pelita (Pantu) Sdn. Bhd (681469-H)) (Formerly known as Tetangga Akrab Pelita (Pantu) Sdn. Bhd.)
- **100%** Winsome Jaya Sdn. Bhd. (605466-U)
- **90%** Okidville Jaya Sdn. Bhd. (686109-W)
  - **100%** Sepulut Plantations Sdn. Bhd. (716972-U)
- **100%** Winsome Sarawak Plantations Sdn. Bhd. (653800-A)
- **90%** Okidville Plantations Sdn. Bhd. (466683-V)
- **100%** Winsome Plantations Sdn. Bhd. (510158-W)

KIM LOONG
RESOURCES BERHAD
(22703-K)
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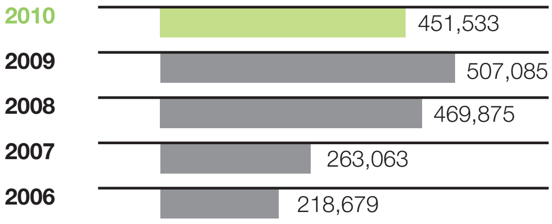
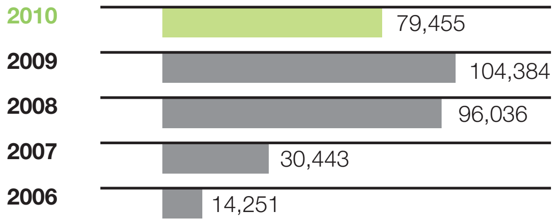
Group Financial Highlights

INCOME STATEMENT (RM'000)

Revenue



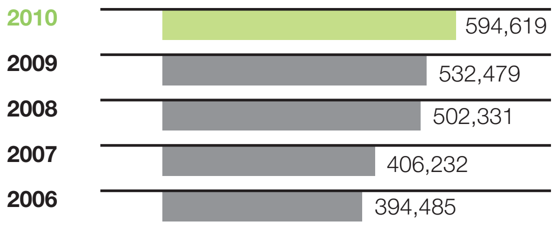
Profit Before Tax



BALANCE SHEET (RM'000)

Equity Attributable to Equity Holders of The Company

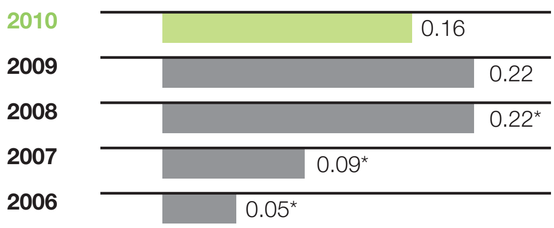
Total Assets



PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)

Net Tangible Assets

Earnings



* *Adjusted pursuant to the adjustment arising from Bonus Issue completed in August 2008*

Group Financial Highlights

	GROUP Financial year ended 31 January				
	2006	2007	2008	2009	2010
INCOME STATEMENT (RM'000)					
Revenue	218,679	263,063	469,875	507,085	451,533
Profit before tax	14,251	30,443	96,036	104,384	79,455
Profit after tax	9,938	22,674	71,463	81,563	59,525
BALANCE SHEET (RM'000)					
Paid-up share capital	170,864	171,459	209,957	302,253	304,237
Equity attributable to equity holders of the Company	298,262	313,887	385,923	391,098	421,970
Total assets	394,485	406,232	502,331	532,479	594,619
PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)					
Earnings	0.05 *	0.09 *	0.22 *	0.22	0.16
Net tangible assets	1.74	1.82	1.83	1.29	1.38
Dividends	0.07	0.10	0.18	0.36	0.10
Weighted average number of share in issue ('000)	219,533 *	239,442 *	264,742 *	300,520	303,271
FINANCIAL RATIO (%)					
Return on shareholders' equity (Pretax)	4.78	9.70	24.88	26.69	18.83
Return on total assets (Pretax)	3.61	7.49	19.12	19.60	13.36

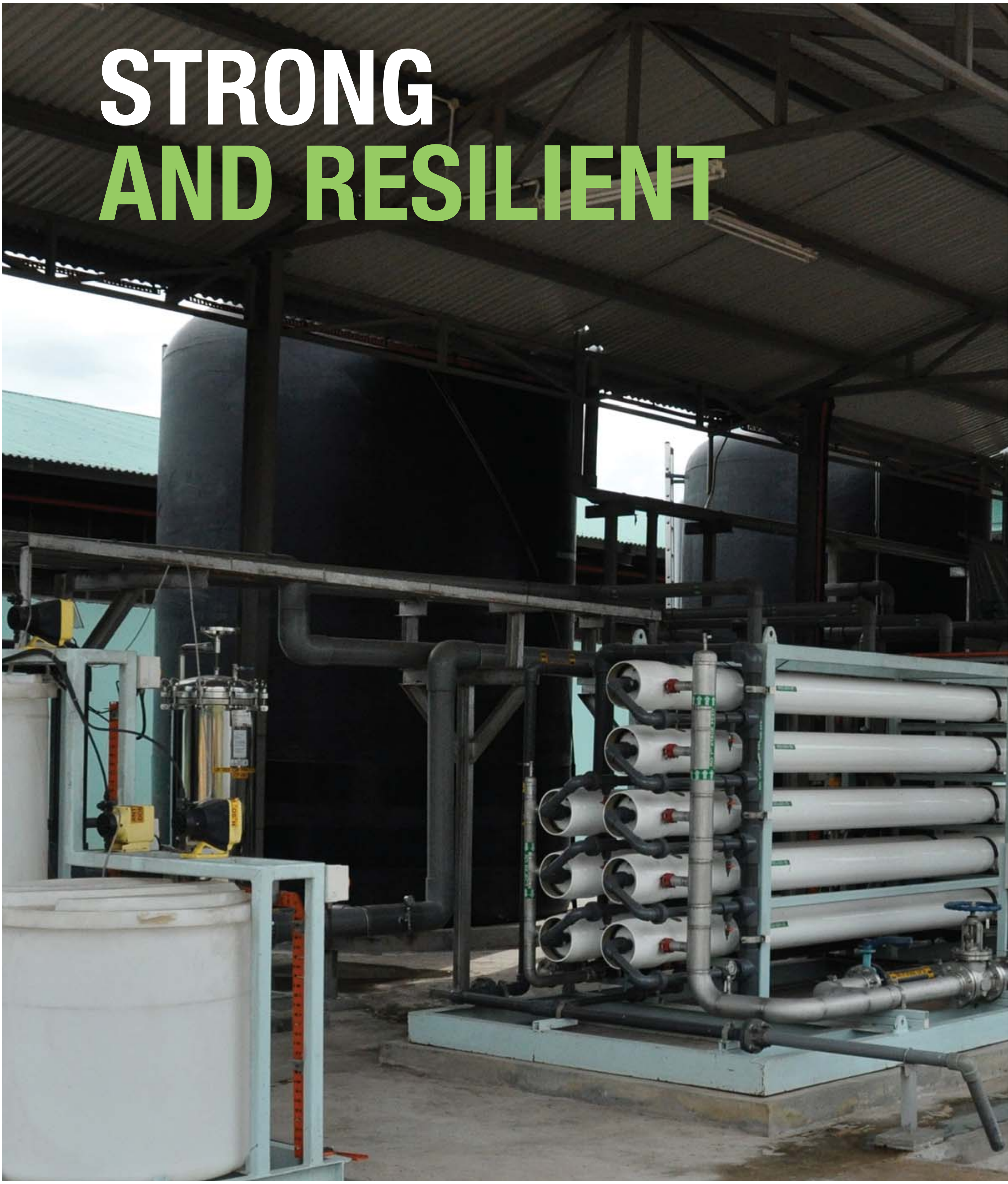
* *Adjusted pursuant to the adjustment arising from Bonus Issue completed in August 2008.*

STATISTICS

	2006	2007	2008	2009	2010
PLANTATIONS					
Plantation Area (Ha)					
Oil palm					
Mature	10,918	11,065	11,193	11,193	12,818
Immature	1,522	1,067	1,042	1,104	732
Unplanted land	400	-	-	-	859
	12,840	12,132	12,235	12,297	14,409
Cocoa and others	166	166	167	122	115
Total plantable area	13,006	12,298	12,402	12,419	14,524
Infrastructure and unplantable land	556	706	646	629	629
Total land area	13,562	13,004	13,048	13,048	15,153
Production (MT)					
Fresh fruit bunches ("FFB")	180,119	220,908	248,268	272,334	262,687
Yield per mature hectare	16.50	19.96	22.18	24.33	21.71^
MILLS					
Production and Extraction Rate					
Crude palm oil ("CPO") (MT)	108,471	126,553	138,994	145,441	172,147
Oil extraction rate (% of FFB)	20.23	20.50	21.03	21.58	21.82
Palm kernel ("PK") (MT)	31,879	35,701	37,573	36,468	42,878
Kernel extraction rate (% of FFB)	5.94	5.78	5.69	5.41	5.43
Palm kernel oil ("PKO") (MT)	8,272	958	11,405	9,697	12,136
Oil extraction rate (% of PK)	43.82	45.12	45.30	45.40	44.83

^ *Excluding FFB production from land acquired in January 2010.*

STRONG AND RESILIENT




KIM LOONG SABAH MILLS SDN. BHD.
REVERSE OSMOSIS WATER TREATMENT PLANT

GOOI SEONG LIM

Executive Chairman

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 2010.

RESULTS

The revenue and Profit Before Tax ("PBT") of the Group were at RM451.53 million and RM79.46 million respectively for the financial year 2010 compared to RM507.08 million and RM104.38 million respectively for the financial year 2009.

The 11% and 24% drop in revenue and PBT respectively compared to financial year 2009 were mainly due to lower Crude Palm Oil ("CPO") price which was about 16% lower than last financial year.

DIVIDEND

The Board has recommended a final dividend of 6 sen per share single tier tax exempt (2009: final dividend of 3 sen per share comprising 2.5 sen less 25% tax and 0.5 sen tax exempt), for the financial year 2010 making a total dividend of 10 sen per share single tier tax exempt (2009: 36 sen per share, of which 35.5 sen is less 25% tax and 0.5 sen is tax exempt).

RECENT DEVELOPMENTS

On 6 January 2010, the Company's 100% owned subsidiary, Kim Loong Corporation Sdn. Bhd., completed its acquisition of 2,016,000 ordinary shares of RM1.00 each representing 60% equity interests in Winsome Pelita (Pantu) Sdn. Bhd. ("WPPSB") (formerly known as Tetangga Akrab Pelita (Pantu) Sdn. Bhd.) for a cash consideration of RM25 million which includes the assignment of approximately RM13.3 million of amount owing to the vendor by WPPSB.

WPPSB is the joint venture vehicle with Pelita Holdings Sdn. Bhd. ("PHSB") to develop land held under Native Customary Rights specifically in the area known as Sg. Tenggang Block (6,870Ha) and Kranggas/Mawang Block(3,601Ha), Bukit Bengunan in the Sri Aman Division, Sarawak into an oil palm plantation.

Out of the total gross land area of 10,471 Ha, the preliminary estimated plantable area is approximately 6,500 Ha. To date, 1,400 Ha have already been planted. The plantable area is subject to PHSB, the Government agency which monitors the implementation of the project, obtaining acceptance from the NCR owners of those areas to participate. We plan to develop the remaining plantable land within the next 4 years.

PALM OIL MILLING OPERATIONS

The palm oil milling operations recorded an increase of 68% in profit or RM13.16 million to RM32.53 million as compared to RM19.37 million recorded for the last financial year. The sharp drop in CPO price in the second half of the preceding year had pulled down the profit for the last financial year.

Total CPO production for the year under review was 172,100 MT, which represented a 18% increase as compared to 145,400 MT recorded in the last financial year. Our new mill in Telupid, Sabah contributed 29,100 MT.

PLANTATION OPERATIONS

The profit from the plantation operations recorded a drop of 40% or RM34.18 million to RM52.20 million as compared to RM86.38 million recorded for the last financial year. The drop in profit was mainly due to lower FFB price. The FFB production for the year under review was 262,800 MT, a drop of 3.5% or 9,500 MT as compared to the last financial year. The drop in FFB production was broadly in line with the trend of national FFB yield.

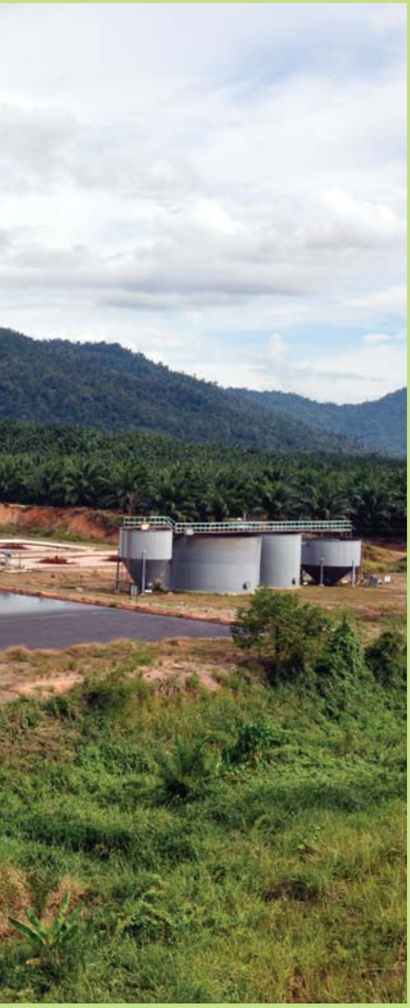
DEVELOPMENT AND PROSPECTS

The long term outlook for the palm oil industry in Malaysia remains good. The CPO price is expected to remain flat in the near term and strengthen over the next 6 months in view of the El-Nino impact on palm oil supply, increased biodiesel usage, lower soybean crushing due to difficulty in disposing soybean meal, and increased world dependency on palm oil.

The production capacity of the Group's Keningau mill has been expanded to 60 MT of FFB/hour. The third mill in Telupid, Sabah with a capacity of 45MT of FFB/hour was successfully commissioned on 18 December 2008. With the expansion in Sabah, the processing capacity of the Group has increased to 950,000 MT of FFB per annum.

Downstream milling projects aimed at improving efficiency and reducing palm oil mill wastes through innovations and new technologies under development are as follows :

(i) The Group's second palm-pressed fibre oil extraction plant at its Keningau mill, Sabah is currently under construction and expected to be commissioned in June 2010.
(ii) The Group will install a palm kernel oil solvent extraction plant at its Kota Tinggi mill to improve PKO extraction efficiency.
(iii) The second Clean Development Mechanism ("CDM") project on methane capture at Keningau is under construction and is expected to be fully commissioned by June 2010. We are currently drafting the Project Design Document for the third CDM project at Telupid mill.
(iv) Full utilisation of biomass for power generation, sale to third parties as well as soil improvement in our own estates.



We believe we have created a milling complex prototype which extracts maximum value from various integrated operations and at the same time minimises impact to the environment. This would contribute to the industry's progress towards sustainable production of palm oil.

The Group's production of FFB is expected to increase in the financial year 2011 as a large proportion of our estate is currently within prime matured age profile which offers high yield potential and also partly due to contribution from our newly acquired operations in Sarawak. Strong growth in production is expected from this plantation for the next few years. Main focus will be on development of the Sarawak plantations and maintaining good relationship with the joint venture native owners within our NCR land projects.

The Group will continue to look into opportunities for increasing its landbank in the states of Johor, Pahang, Sabah and Sarawak and suitable land near our existing palm oil mills through acquisition or joint venture to provide a sustainable and synergistic growth in revenue and profit.

The Group expects a marginal increase in profits from milling operations in financial year 2011 as compared to financial year 2010 due to only marginal increase expected in production quantity of milling operations in view of stiff competition for FFB supply.

The Group will continue to monitor the CPO price closely and take appropriate measures to reduce the impact of volatility of CPO price.

Based on the above factors and barring any unforeseen circumstances, the Board expects the Group's performance to be better in the financial year ending 31 January 2011.

APPRECIATION

I would like to take this opportunity to express my appreciation to the Management and Staff for their loyal and dedicated services to the Group, and to various government authorities and agencies, bankers, valued customers and suppliers and business associates for their co-operation and continued support.

Finally, I wish to thank my fellow Board members for their support and the shareholders for their confidence in the Board and Management of the Group.

Gooi Seong Lim

Executive Chairman
Johor Bahru, Johor

28 June 2010

CORPORATE SOCIAL RESPONSIBILITIES

The Group does not have a formal Corporate Social Responsibility ("CSR") Policy. However, the Group is a socially responsible corporation that supports and contributes positively to the sustainable development of the economy and the community where the Group operates. It places importance on its CSR and remains committed to care for the environment and employees, fostering strong relationships with business associates and supporting worthy community welfare causes as part of its business ethics and responsibilities.

MARKETPLACE

The setting up of palm oil mills at Sook-Keningau and Telupid in Sabah by our Group has contributed to economic activities in their respective surrounding areas. More locals are earning higher income by cultivating oil palm which is more profitable than the traditional crops. Our Keningau and Telupid Mills now accept FFB from more than 350 smallholders.

WORKPLACE

Cognisant that a team of dedicated and motivated employees plays a crucial role in ensuring that the Group is well poised to meet present and future challenges, the Group continues to place emphasis on developing its human capital, the organisation's most valuable asset. The Group had a total workforce of about 2,000 as at 31 January 2010.

The Group has also invested substantial sum on the construction of roads, employees housing, provision of free electricity and water supplies to the employees in the estates with the objective of providing the residents with better living conditions. Free/subsidised transportation is provided for school going children to the nearest school. We also provide recreational activities for the residents e.g., football field, volleyball and sepak takraw courts for the residents. Vegetable and fruit tree planting within the housing compound are promoted to enhance food sufficiency by way of provision of seeds and young plant. An annual kenduri was conducted to foster better relations between the staff and workers. The roads leading to the estates are properly maintained to facilitate the movement of vehicles. Some of our main roads have benefited the neighbouring villagers as they also use these roads to go to the nearest town.

The Group has carried out various activities to improve the workforce knowledge, quality of life and foster a sense of belonging, such as :

- Conducting in-house training for the staff on human capital, safety, accounting, technical issues and management skills. Where specialist training is required, the staff are sent for external training ;
- Various staff activities including festival celebrations and sporting events through the In-House Sports Club ; and
- A subsidised company trip to Bali, Macau and Cameron Highlands/Kuala Lumpur were organised for the staff and their family members.

COMMUNITY

Our Group has over the years placed great emphasis on enhancing the living condition of the communities where we operate. This is evidenced by the Group's contributions in 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 or through the award of contract works. This approach has proven to be effective in improving their living standards.

The Group is involved in the development of land belonging to an orphanage into an oil palm estate under a joint venture agreement, providing good long term income and development fund to the Al-Yatama organisation for its charity work. The Group has also constructed a bridge crossing Sook River to improve connectivity between the areas and has benefited the neighbouring villages.

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.

The Group also made several contributions and donations amounting to approximately RM40,000 to worthy causes and organisations including 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 Persatuan Ibu Bapa & Guru in Johor and Sabah.

ENVIRONMENT

The Group supports conservation of the environment by actively managing its resources in a responsible manner by developing and implementing environmental-friendly practices such as zero burning policy, soil and water conservation measures and avoids practices that may harm the environment irreversibly in its estates.

The Group has successfully implemented the methane capture and power generation project which will reduce greenhouse gas emissions as well as supply low cost steam and electricity for milling operations and other downstream activities of the Group. This is the first project on biogas generated from palm oil mill effulent that is registered with the Clean Development Mechanism ("CDM") Executive Board of United Nations Framework Convention on Climate Change.

The Group is also implementing methane capture projects in our Keningau and Telupid mills in Sabah. Better utilisation of energy from waste material and biomass will contribute towards reducing the environmental impact and improve sustainability of the palm oil industry.

INTRODUCTION

The Board of Kim Loong Resources Berhad remains resolute in upholding the highest standards of corporate governance within the Group in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Board views that corporate governance is built on four key concepts namely transparency, accountability, integrity and corporate performance.

The Board is pleased to provide a narrative statement on the application of the Principles of good corporate governance and the extent of compliance with the Best Practices as set out in Part 1 and Part 2 of the Malaysian Code of Corporate Governance ('the Code').

A. BOARD OF DIRECTORS

The Board

The Board plays a pivotal role in the stewardship of the Group's direction and operations, including enhancing long-term shareholder's value. In order to fulfil this role, the Board is explicitly responsible for reviewing and adopting strategic plans for business performance; overseeing the proper conduct of the Group's business; including identifying principal risks and ensuring the implementation of systems to manage risks, succession planning; developing investor relations programme; and reviewing the adequacy and integrity of the Group's internal control systems and management information systems.

Whilst the Board is responsible for creating the framework and policies within which the Group should be operating, management is responsible for instituting compliance with laws, regulations, rules, directives, guidelines and the achievement of Group's corporate objectives. The demarcation of roles both complements and reinforces the supervisory roles of the Board.

Meetings

The Board normally meets at least four (4) times a year with additional meetings convened when urgent and important decisions need to be taken between scheduled meetings. Due notice is given of scheduled meetings and matters to be dealt with. All Board meeting proceedings are minuted, including the issues discussed and the conclusions made in discharging its duties and responsibilities.

During the financial year, the Board met on seven (7) occasions where it deliberated upon and considered a variety of matters including approving the Group's financial results, strategic and investment decisions as well as financial and operating performance of its subsidiary companies.

The agenda for each Board meeting and paper relating to the agenda are sent to all Directors at least seven (7) days before the meeting, in order to provide sufficient time to review the Board papers and seek clarifications, if any.

All proceedings at the Board meetings are minuted and signed by the Chairman of the respective meeting.

Details of attendance at the Board meeting are as follows.

Name of Director	Status of Directorship	Number Meetings Attended	Percentage (%)
Gooi Seong Lim	Executive Chairman	7 of 7	100
Gooi Seong Heen	Managing Director	7 of 7	100
Gooi Seong Chneh	Executive Director	6 of 7	86
Gooi Seong Gum	Executive Director	7 of 7	100
Gan Kim Guan	Senior Independent Non-executive Director	6 of 7	86
Teoh Cheng Hai	Independent Non-executive Director	7 of 7	100
Chew Poh Soon	Independent Non-executive Director	7 of 7	100

Board Committees

The following Board Committees have been established to assist the Board in discharging its duties and the execution of specific responsibilities. All the Committees listed below do not have any executive power but reporting to the Board on all matters considered and submit recommendations for Board's approval (except the power of the Audit Committee to report to Bursa Securities in circumstances described in the Audit Committee Report).

Audit Committee

The Audit Committee reviews the issues of accounting policies and presentation for external financial reporting, monitors the work of internal audit function and ensures that an objective and professional relationship is maintained with the external auditors. Its principal function is to assist the Board in maintaining a sound system of internal control. The Committee has full access to the auditors both internal and external, who in turn, have access at all times to the Chairman of the Audit Committee.

In line with good corporate governance practices, the Executive Directors are not members of the Audit Committee.

The terms of reference of the Audit Committee together with the Report of the Audit Committee are disclosed on pages 40 to 41 of this Annual Report. The activities of the Audit Committee during the year ended 31 January 2010 are also set out in the Report of the Audit Committee.

Remuneration Committee

The Remuneration Committee is responsible for recommending the remuneration framework and the remuneration packages of Executive Chairman, Managing Director and Executive Directors to the Board, so as to ensure that rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors with those of shareholders. The Committee also ensures that the level of remuneration for Executive Directors are linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board. None of the Executive Directors participated in any way in determining their individual remuneration.

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

The terms of reference of the Remuneration Committee are set out under the Report of the Remuneration Committee on page 43 of this Annual Report.

Nominating Committee

The Nominating Committee is empowered by the Board and its terms of reference to ensure that there are appropriate procedures in place for the nomination, selection, training and evaluation of Directors and that succession that plans are in place. The Nominating Committee assesses the effectiveness of the Board as a whole and each of the Board Committees as well as the contribution of each individual Director, including the Independent Non-executive Directors and the Group Managing Director on an annual basis. All assessments and evaluations carried out by the Nominating Committee in discharging its duties are documented in the minutes of meeting.

The Board, through the Nominating Committee's annual appraisal process, believes that the Board possesses the required mix of skills, experience and other qualities of the Board, including core competencies brought by Independent Non-executive Directors to the Board which enables it to discharge its duties in an effective manner. Furthermore, the Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board.

The Board appoints its members through a formal and transparent selection process which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability to discharge responsibilities as expected of them. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met.

The terms of reference of the Nominating Committee are set out under the Report of the Nominating Committee on page 44 of this Annual Report.

Board Balance

The Board currently has seven (7) members, comprising one (1) Executive Chairman, one (1) Managing Director, two (2) Executive Directors, one (1) Senior Independent Non-executive Director and two (2) Independent Non-executive Directors. A brief profile of each Director is presented on pages 14 to 16 of this Annual Report.

The concept of independent director adopted by the Board is in line with the definition of an Independent Director as per the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities. The key elements for fulfilling the criteria is the appointment of an Independent Director who is not a member of the management (a Non-executive Director) and who is free of any relationship which could interfere in the exercise of independent judgement or the ability to act in the best interests of the Company.

Three (3) out of the seven (7) members of the Board are Independent Non-executive Directors. The Independent Non-executive Directors namely Mr Gan Kim Guan, Mr Teoh Cheng Hai and Mr Chew Poh Soon play the important role of objectively assessing management strategies and practices and their impact on the long term interests of the shareholders. The Board complies with paragraph 15.02 of the Listing Requirements of Bursa Securities which requires that at least two Directors or one-third of the Board of the Company, whichever higher, are independent directors.

The Director with their differing background and specialisation, collectively bring with them a wide range of experience, expertise and competencies to the Board. All Directors have an equal responsibility to the Group. The Executive Directors in particular are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies.

The Independent Directors contribute significantly to and bring forth independent judgement in areas such as policy and strategy, business performance, advice and judgement to take account of the interests not only of the Group, but also the shareholders, employees, customers, suppliers and community as well as governance and control.

The Board has identified Mr. Gan Kim Guan to act as the Senior Independent Non-executive Director to whom concerns regarding the Group may be conveyed. He may be contacted at 03-92871889 or e-mail: gankg@kimloong.com.my

The Board's Responsibilities

The Board retains full and effective control of the Group. It is responsible for, among other things, the review and adoption of strategic directions for the Group, overseeing business performance, ensuring the adoption of appropriate risk management systems and ensuring the establishment of proper internal control systems.

The Board considers the current composition as optimum and effective given the scope, size and complexity of the business affairs of the Group.

The Board, together with the Audit Committee, reviews internal control and risk management systems within the organisation to ensure safe custody and effective and efficient utilisation of the Group's assets.

Division of roles and responsibilities between Executive Chairman and Managing Director

There is clear division of responsibilities at the head of the Company, to enable a balance of power and authority. The Board is led by Mr Gooi Seong Lim, as its Executive Chairman, whilst the executive management is helmed by Mr Gooi Seong Heen, the Managing Director of the Group. Both have many years of experience in managing the Group's core businesses.

The Chairman is responsible for ensuring Board effectiveness and conduct. He ensures the integrity and effectiveness of the governance process of the board and acts as a facilitator at Board meetings. Every Board resolution is put to a vote, if necessary, which would reflect the collective decision of the Board and not individuals or an interest group.

The Group's Managing Director has the overall responsibility for the profitability and development of the Group. He is responsible for the stewardship of all the Group's assets, day to-day running of the business and implementation of Board decisions and clarifying matters relating to the Group's business to the Board. The Managing Director's in-depth and intimate knowledge of the Group's affairs contribute significantly towards the ability of the Group to achieve its goals and objectives.

Supply of Information to the Board

The Chairman has the primary responsibility for organising information necessary for the Board to deal with the agenda and ensuring all Directors have full and timely access to the information relevant to matters that will be deliberated at the Board meeting.

In exercising their duties, all Directors have the same right of access to all information within the Group and they have a duty to make further enquiries which they may require in discharging their duties. The Directors also have access to the advice and services of the Company Secretary, who is available to provide them with appropriate advice and services to ensure that Board meeting procedures are followed and all applicable rules and regulations are complied with. In addition and in furtherance of their duties, the Directors may seek independent professional advice at the Company's expense.

All Directors are provided with an agenda and a set of comprehensive Board papers, issued within sufficient time prior to Board meetings to ensure that the Directors can appreciate the issues to be deliberated on, and where necessary, to obtain further explanation. The Board papers include updates on financial, operational and corporate developments of the Group. Board papers are also presented with details on other issues that may require the Board's deliberation or decisions, policies, strategic issues which may affect the Group' s businesses and factors imposing potential risks affecting the performance of the Group. Senior management staff and external advisors may be invited to attend Board meetings, to advise and provide the Board with detailed explanations and clarifications whenever necessary on matters that are tabled.

Other matters highlighted for the Board's decision include the approval of corporate plans, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits.

Appointment and Election to the Board

Appointment

The Board appoints its members through a formal and transparent process which is consistent with the Company's Articles of Association. The appointment of new member(s) of the Board as well as the proposed re-appointment/re-election of Directors seeking re-appointment/re-election at the Annual General Meeting ("AGM") are recommended by the Nominating Committee to the Board for its approval.

The Board undertakes to review its effectiveness as a whole, the various Committees of the Board and the contributions of each director. All assessments and evaluations carried out by the Nominating Committee in discharging all its functions are properly documented. All newly appointed Directors are subject to re-election by the shareholders at the AGM following their appointment.

Re-election

The Company's Articles of Association provide that at least one-third (1/3) of the Board is required to retire by rotation at each AGM provided always that each Director shall retire at least once in every three years. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment in accordance with the Articles of Association. This provides an opportunity for shareholders to renew their mandate. To assist shareholders in their decision, sufficient information such as personal profile and meeting attendance of each Director standing for election at the forthcoming AGM are shown in the Notice of AGM (Ordinary Resolution 3 & 4) on page 4.

Directors Training

All existing Directors have completed the "Mandatory Accreditation Programme" conducted by the Research Institute of Investment Analyst Malaysia (RIIAM) as prescribed by the Listing Requirements of Bursa Securities.

Directors are also encouraged to participate in seminars and/or conferences organised by relevant regulatory authorities, professional bodies and commercial entities providing training. This is part of their Continuous Education Programme to keep abreast with relevant new developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to fulfil their duties as Directors.

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

Programmes / Seminar	Organiser	Name
FRS 139 – Financial Instruments : Recognition and Measurement Preparing to Implement Government Financial Assistance for Malaysian Companies	Crescendo International College	Gooi Seong Lim Gooi Seong Chneh Gooi Seong Gum
Government Financial Assistance for Malaysian Companies	The Exporters Club	Gooi Seong Heen
GAPKI Conference 2009 – Indonesia Palm Oil Conference & Price Outlook 2010	GAPKI	Gooi Seong Heen
7th Roundtable Meeting on Sustainable Palm Oil	RSPO	Gooi Seong Heen Teoh Cheng Hai
Good Governance Strategy & Sustainability are Inseparable	The Institute of Internal Auditors Malaysia	Gan Kim Guan
Asian Confederation of Institute of Internal Auditors for ACIIA Conference 2009	The Institute of Internal Auditors Malaysia	Gan Kim Guan
International Planters Conference 2009	Incorporated Society of Planters	Chew Poh Soon Teoh Cheng Hai
A Critique of Recent Tax cases: Discerning The Judicial Mood	Malaysia Institute of Taxation (MIT)	Gan Kim Guan
Practical Application of Financial Reporting Standards	Malaysian Institute of Certified Public Accountant (MICPA)	Gan Kim Guan
Financial Instruments (FRS 139)	MICPA	Gan Kim Guan
National Tax Conference 2009	Lembaga Hasil Dalam Negeri Malaysia (LHDN) & Chartered Tax Institute of Malaysia (CTIM)	Gan Kim Guan
2010 Budget Seminar	CTIM	Gan Kim Guan
KPMG FRS 139, Financial Instruments : Recognition and Measurement Step-by-Step Conversion Workshop	KPMG	Gan Kim Guan
National Seminar on Taxation 2009	LHDN and Inland Revenue Officers' Union	Gan Kim Guan
FRS 139 - Financial Instruments : Recognition and Measurement Preparing to Implement – Unravelling the Tax Issues	CTIM	Gan Kim Guan
Recent Development in Malaysian FRS – A Practical Approach	CPA	Gan Kim Guan
China International Oil and Oilseed Summit 2009	CFNA	Teoh Cheng Hai

B. DIRECTORS' REMUNERATION

The remuneration of Directors is determined at levels which enable the Group to attract and retain Directors of calibre and relevant experience and expertise to manage the Group successfully. For an Executive Director, the remunerations is linked to Group and individual performance. In the case of a Non-executive Director, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-executive Director concerned.

The Remuneration Committee is responsible for setting the policy framework of the Executive Directors' remuneration packages and makes recommendations to the Board on the elements of the remuneration and other terms of appointment to the Board. The Executive Directors abstain from the deliberations and voting in respect of their remuneration. Nevertheless, it is the ultimate responsibility of the Board to approve the remuneration of these Directors. All Independent Non-executive Directors are paid director's remuneration for serving as Directors on the Board and its Committees. All Directors are paid a meeting allowance for attendance at each Board meeting.

A summary of the remuneration of the Directors for the year ended 31 January 2010, distinguishing between Executive and Non-executive Directors, with categorisation into appropriate components and the number of Directors whose remuneration falls into each successive band of RM50,000, is set out as below :

a. Summary of Directors' Remuneration

Aggregate Remuneration	Executive Directors (RM)	Non-executive Directors (RM)	Total (RM)
Salary	954,000	-	954,000
Bonus	380,500	-	380,500
Fees	23,000	140,000	163,000
Meeting allowance	10,000	7,000	17,000
Estimated monetary value of benefits-in-kind	13,325	-	13,325
Defined contribution plan	160,140	-	160,140
Share options granted under ESOS	12,282	-	12,282
Total	**1,553,247**	**147,000**	**1,700,247**

b. Remuneration Band

Analysis of remuneration	Executive Directors	Non-executive Directors
0 – RM50,000		2
RM50,001 – RM100,000		1
RM100,001 – RM150,000		
RM150,001 – RM200,000		
RM200,001 – RM250,000		
RM250,001 – RM300,000		
RM300,001 – RM350,000	1	
RM350,001 – RM400,000	1	
RM400,001 – RM450,000	1	
RM450,001 – RM500,000	1	

C. SHAREHOLDERS

Dialogue between the Group and Investors

The Board adheres to the disclosure requirements of Bursa Securities and ensures timely release of the financial results on a quarterly basis in order to provide its shareholders with an overview of the Group' s financial and operational performance. In addition, it communicates with its shareholders, institutional and potential investors through various announcements made during the year.

This Annual Report is also an important channel of communication to reach shareholders and investors as it provides comprehensive information pertaining to the Group.

In addition, the Group recognises the need for independent third party assessment of itself. In this regard, the Executive Chairman, Managing Director and key senior management of the Group also conduct dialogue sessions or briefings with Investment/Financial Analysts and the Press on the results, performance and the potential of new developments of the Group. These briefings enable a direct and frank dialogue on the affairs of the Group.

Other avenues whereby shareholders and interested stakeholders have access to company data are through quarterly filing of financial data at Bursa Securities and via the Company's website at www.kimloong.com.my which they can access for information about the Group.

AGM

The AGM is the principal forum of dialogue with shareholders. Notice of AGM together with a copy of the Company's Annual Report is sent to shareholders at least twenty one (21) days prior to the meeting. Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution.

At the AGM, the Board presents the progress and performance of the Group as contained in the Annual Report and shareholders are encouraged to participate and are given every opportunity to raise questions or seek more information during the meeting. The Executive Chairman, Managing Director and Board members are available to respond to all shareholders' queries.

Apart from the AGM and Annual Report, the financial highlights are disseminated on a quarterly basis to Bursa Securities. Other public information and significant items affecting the Group are reported through the Bursa Securities from time to time via announcements.

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Shareholders can also leave written questions for the Board to respond. The Shares Registrar is available to attend to matters relating to shareholders' interests.

Annual Report

The Directors believe that an important channel to reach shareholders and investors is through the Annual Report. Besides including comprehensive financial performance and information on the business activities, the Group strives to improve the contents of the Annual Report in line with the developments in corporate governance practices.

The Company's Annual Report can be accessed at the Company' s website at www.kimloong.com.my

Bursa Securities also provides for the Company to electronically publish all its announcements, including full version of its quarterly results announcements and Annual Report at its website at www.bursamalaysia.com

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced and meaningful assessment of the Group's financial performance and prospects to the shareholders, investors and regulatory authorities, primarily through the annual financial statements and Chairman's Statement in the Annual Report.

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors present a balanced, clear and meaningful assessment of the Group's financial positions and future prospects.

The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness of information.

Internal Control

The Board acknowledges that it is responsible for ensuring that the Group's system of internal control is sound and provides reasonable assessment of effective and efficient operations, financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.

The review on the systems of internal control is set out under the Statement on Internal Control as set out in pages 37 to 39 of this Annual Report.

Internal Audit Function

The Internal Audit function of the Group has been outsourced to the Internal Audit Department ('IAD') of the Group's holding company, Sharikat Kim Loong Sendirian Berhad which acts independently from the activities and operations of the Group.

The internal audit function includes the review of the adequacy of the internal controls, the efficiency of operations and ensures compliance with the established Group policies and procedures, and the statutory requirements.

The Head of IAD reports directly to the Audit Committee on its activities based on the approved annual Internal Audit Plan. The Audit Committee reviews and approves the audit plan, which identifies the scope of work for the year. During the financial year under review, the internal auditors conducted audits on business units and carried out regular reviews of the operations of the companies within the Group in accordance with the approved Internal Audit Plan.

The main role of the IAD is to provide the Audit Committee with independent and objective reports on the effectiveness of the system of internal control within the Group so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively. It is also the responsibility of IAD to assess the extent of the business units ' compliance with Group's established procedures and relevant statutory requirements. The Audit Committee then deliberates on the internal audit reports to ensure recommendations from the report are duly acted upon by management.

The total cost incurred in relation to the internal audit function of the Group for financial year ended 31 January 2010 is approximately RM230,000.

External Audit Function

Through the Audit Committee, the Group has established a good working relationship with its External Auditors. The Company's External Auditors is appointed every year during the AGM.

The Group has maintained a transparent and professional relationship with its External Auditors i.e. Messrs SKW Associates in seeking professional advice and ensuring compliance with the applicable Financial Reporting Standards in Malaysia. Messrs SKW Associates reports to the shareholders of the Company on its opinion which are included as part of the Group's Annual Report with respect to their audit on each year's statutory financial statements.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under Paragraph 15.26(a) of the Listing Requirements of Bursa Securities to issue a statement explaining their responsibilities in the preparation of the annual financial statements.

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and their results, changes in equity and cash flows of the Group and of the Company for the financial year then ended. As required by the Act and the Listing Requirements of Bursa Securities, the Financial Statements have been prepared in accordance with the applicable Financial Reporting Standards and the provisions of the Act.

In preparing these Financial Statements, the Directors have :

- adopted suitable accounting policies and applied them consistently ;
- made judgements and estimates that are prudent and reasonable ;
- ensured applicable Financial Reporting Standards have been followed ; and
- prepared the financial statements on a going concern basis.

The Directors took steps to ensure that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

To comply with the Listing Requirements of Bursa Securities, the following information is provided :

Utilisation of Proceeds from Corporate Proposals
During the financial year, there was no proceeds raised by the Company from any corporate proposal.

Share Buy-Back
During the financial year, there was no purchase of its own shares by the Company.

Options, Warrant or Convertible Securities
There were no options, warrant or convertible securities issued to any parties during the financial year, other than those disclosed in Note 17 to the Financial Statements

Depository Receipt Programme
The Company did not sponsor any depository receipt programme during the financial year.

Sanctions and/or Penalties
There were no sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management by any regulatory bodies during financial year.

Non-audit fees
Non-audit fee paid and payable to the External Auditors, Messrs SKW Associates, during the financial year 2010 was RM22,000.

Variation in results
There was no material variation between the results for the financial year ended 31 January 2010 and the unaudited results previously announced.

Profit Guarantee
The Company did not give any profit guarantee during the financial year.

Material Contracts Involving Directors and Major Shareholders' Interest
There were no material contracts for the Company and its subsidiaries involving Directors and major sharehlolders' interest either subsisting at the end of the financial year or entered into since the end of the previous year.

Revaluation Policy
The Group's revaluation policy is stated in Note 2(d) to the Financial Statements.

Recurrent Related Party Transactions
Details of Recurrent Related Party Transactions conducted pursuant to the Mandate during the financial year 2010.

Nature of Transaction	Name of related parties	Transacted value (RM)	Relationship with the Company
Professional Service charges	Sharikat Kim Loong Sdn Bhd	195,000	Holding company
Purchase of oil palm fresh fruit bunches	Kim Loong Plantations Sdn Bhd	3,481,739	Fellow subsidiary company of the holding company
Purchase of building material and construction services	Unibase Concrete Industries Sdn Bhd Unibase Trading Sdn Bhd	117,305 150,290	Fellow subsidiary company of the holding company

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is committed to achieving high standard of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board is of the opinion that it had complied with the Best Principles as set out in the Code of Corporate Governance throughout the financial year ended 31 January 2010 except for the details of Directors' remuneration. The Company complies with the disclosure requirements under the Listing Requirements of Bursa Securities i.e. disclosure of Directors' Remuneration by applicable bands of RM50,000. The Board is of the view that the transparency and accountability aspects of Corporate Governance as applicable to Directors' Remuneration are appropriately served by the band disclosure made on page 33. In addition, the composition of the Remuneration Committee has been fully disclosed on page 43 of the Annual Report.

This Statement is made in accordance with a resolution of the Board dated 28 June 2010.

Statement on Internal Control

1.0 INTRODUCTION

The Paragraph 15.26(b) of the Listing Requirements of Bursa Securities requires the Board of Directors of public listed companies to include in its Annual Report a "statement about the state of internal control of the listed issuer as a group". The Board is committed to maintaining a sound system of internal control of the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial year.

2.0 BOARD RESPONSIBILITIES

The Board acknowledges its responsibilities for maintaining a consistently sound internal control environment to safeguard shareholders' interests and the Group's assets; and for reviewing the adequacy and integrity of these systems. Such systems, however, are designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable rather than absolute assurance against material misstatement or loss. The process to identify, evaluate and manage the significant risks is a concerted and continuing effort throughout the financial year under review.

The Board sets the policy on internal controls after conducting a proper assessment of operational and financial risks by considering the overall control environment of the organisation and an effective monitoring mechanism. The Managing Director and his management carry out the process of implementation and maintenance of the control systems. Except for insurable risks where insurance covers are purchased, other risks are reported on a general reporting basis and managed by the respective Committees within the Group.

The Board confirms that as an integral part of the system of internal control, there is an on-going risk management process to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of the Group's businesses and corporate objectives. The Board reviews the process on a regular basis to ensure proper management of risks and measures are taken to mitigate any weaknesses in the control environment. Management has operated this process during the year under review up to the date of approval of this annual report.

3.0 KEY INTERNAL CONTROL PROCESSES

In reviewing and ensuring the adequacy and integrity of the internal control system, the Board has established the following key elements in the internal control framework of the Group.

3.1 Risk Management Framework

The Group has put in place a Risk Management Committee ("RMC") that is chaired by the Managing Director and its members comprise Executive Directors, Heads of Divisions & Departments ("HODS") and staff from key operations. HODS are trained to lead the risk management functions of their respective operations. They have also been trained to identify the risks relating to their areas; the likelihood of these risks occurring; the consequences if they do occur; and the actions being and/or to be taken to manage these risks to the desired level. The risk profiles and risk treatment measures determined from this process are documented in risk registers with each business or operations area having its respective risk register. The risk registers are eventually compiled to form the Group Risk Profile for reporting to the RMC and the Audit Committee.

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

3.2 Organisation Structure and Authorisation Procedures

The Group maintains a formal organisational structure with clear lines of reporting to the Board, Committees and Senior Management with defined roles and responsibilities, authority limits, review and approval procedures and proper segregation of duties which supports the maintenance of a strong control environment.

Specific responsibilities have been delegated to relevant Committees, all of which have formalised terms of reference. These Committees have the authority to examine all matters within their scope and report to the Executive Directors / Managing Director / Executive Chairman / Board with their recommendations.

3.3 Internal Audit Function

The Internal Audit Function has been undertaken by the IAD of the Group's holding company, Sharikat Kim Loong Sendirian Berhad.

The IAD undertakes regular reviews of the Group's operations and their system of internal control. They provide continuous improvement to the controls and risk management procedures. Internal audit findings are discussed at management level and actions are determined in response to the Internal Auditors' recommendations. The status of implementation of the agreed actions is followed up by the Internal Auditors to ensure that satisfactory control is maintained.

The IAD regularly reports on compliance with internal control and procedures to the Audit Committee. They also ensure that recommendations to improve control are being followed through by the management. The Audit Committee reviews all internal audit findings and management responses and the effectiveness of the risk management process. Significant risk issues are referred to the Board for consideration. The Board reviews the minutes of the Audit Committee meetings.

3.4 Operations Review and Monitoring

Operations of the Group are constantly monitored with up-to-date reports being presented by the Management, which reviews the performance of the Group against budget and prior year performance on a quarterly basis. Variances are carefully analysed and corrective actions taken where necessary. Detailed reports on performance review with steps to be taken are presented to the Executive Directors periodically.

The Plantation General Manager and Executive Directors regularly visit the Group's estates to monitor their state of affairs. During the visits, the estate managers report on the progress and performance, discuss and resolve the estates' operational and key management issues.

Executive Directors also monitor the performance of the estates through reports produced by the external Planting Advisors and in-house Agronomist. The roles of the Planting Advisor and Agronomist are to ensure that the technical aspects of all estates under the Group are based on current best practices in plantation management.

The Milling Operations are regularly visited by the Managing Director, Executive Directors and the Mill Advisor. During the visits, the managers report on the mill performance, discuss and resolve all operational and key management issues faced by them.

3.5 Human Capital Development and Training

Emphasis is being placed on enhancing the quality and ability of employees through training and development. Employees' competencies are assessed annually through the annual appraisal system and subsequently, potential areas for further development and training are highlighted by the Heads of Departments and business units for follow up.

3.6 Other Key Elements of Internal Control

Other key elements of procedures established by the Board which provide effective internal control include :

- Some Independent Non-executive Directors also visit the Group's estates and mills. Their comments and suggestions for improvement are directed to the Executive Chairman, Managing Director and/or Executive Directors.
- The Finance Department monitors the activities and performance of the subsidiaries through the monthly management accounts and ensures control accounts are reconciled with the subsidiaries records.
- Adequate insurance and physical safeguarding of major assets are in place to ensure these assets are sufficiently covered against any mishap that may result in material losses to the Group.
- The documented policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses and ensure complete and accurate financial information. The documents consist of memoranda, circulars, manuals and handbooks that are regularly revised and updated to meet operational needs.
- All recurrent related party transactions are dealt with in accordance with the Listing Requirements of Bursa Securities. The Audit Committee and the Board review the recurrent related party transactions at the respective meetings of the Audit Committee and the Board.

4.0 REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2010. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group.

5.0 CONCLUSION

The Board is of the view that the system of internal control in place throughout the year under review is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators, employees and the Group and to facilitate the expansion of its operations. Additionally, the Board regards the risks faced by the Group are within acceptable levels to the business environment within which the Group operates.

There were no material losses or fraud during the current financial year as a result of internal control failures and the Board and Management are continuously taking measures to improve and strengthen the internal control framework and environment of the Group.

This Statement is made in accordance with a resolution of the Board of Directors dated 28 June 2010.

The Board of Directors of Kim Loong Resources Berhad is pleased to present the Report of the Audit Committee which lays out its activities held throughout the financial year ended 31 January 2010 and in compliance with Paragraph 15.15 (1) of the Listing Requirements of Bursa Securities

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee presently comprises three (3) Directors of the Board, all of whom are Independent Non-executive Directors. The members are :

Chairman : Gan Kim Guan
Members : Teoh Cheng Hai
Chew Poh Soon
Secretaries : Chong Fook Sin
Ng Kam May

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall not be fewer than three (3) members. All the members must be Non-executive Directors, with a majority of them being Independent Directors as defined in Chapter 1 of the Listing Requirements of Bursa Securities. The quorum shall be two (2) members, a majority of whom shall be Independent Directors. The Chairman of the Committee shall be elected by the members of the Committee from amongst their members and shall be an Independent Director.

At least one member of the Committee :

i. must be a member of the Malaysian Institute of Accountants ("MIA") ; or

ii. if he is not a member of the MIA, he must have at least 3 years' working experience and:

(a) he must have passed the examinations specified in Part 1 of the 1st Schedule to the Accountants Act, 1967; or
(b) he must be a member of one of the associations of accountants specified in Part 11 of the 1st Schedule to the Accountants Act, 1967.

iii. fulfills such other requirements as prescribed or approved by Bursa Securities.

Mr. Gan Kim Guan, the Chairman of the Audit Committee is a Fellow of the Association of Chartered Certified Accountants and the MIA. The Company has therefore complied with paragraph 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

The Company Secretary shall be the Secretary of the Committee.

2. Attendance At Meetings

Other directors and employees of the Company may only attend any particular Committee meeting at the Committee's invitation.

3. Frequency and Procedures of Meetings

(i) Meetings shall be held not less than four times a financial year.

(ii) The Committee shall regulate its own procedures, in particular :

a. the calling of meetings ;
b. the notice to be given of such meetings ;
c. the voting and proceedings of such meetings ;
d. the keeping of the minutes ; and
e. the custody, production and inspection of such minutes.

During the financial year 2010, the Audit Committee held a total of five (5) meetings. The attendance by each member at the Committee meetings during the year was as follows:

Member	**Total number of meetings held in the financial year during Member's tenure in office**	**Meetings attended by Members**
Gan Kim Guan	5	4 of 5
Teoh Cheng Hai	5	5 of 5
Chew Poh Soon	5	5 of 5

The details of training attended by the above Directors are tabulated on page 32.

4. Functions

The Committee shall amongst others, discharge the following functions :

(i) To review the following and report on the same to the Board ;

a. with the External Auditors, the audit plan ;
b. with the External Auditors, their evaluation of the system of internal control ;
c. with the External Auditors, the audit report ;
d. the assistance given by employees of the Group to the External Auditors ;
e. the adequacy of the scope, functions, competency and resources of the Internal Auditors and that they have the necessary authority to carry out their work ;
f. the internal audit program, processes, the results of the internal audit or investigation undertaken and whether or not appropriate action has been taken on the recommendations of the Internal Auditors ;
g. the quarterly results and year end financial statements, prior to the approval by the Board of Directors, particularly on :
   - any changes in or implementation of major accounting policies ;
   - significant and unusual events ; and
   - compliance with accounting standards and other legal requirements.
h. any related party transactions and conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity ;
i. any letter of resignation from the External Auditors of the Company ; and
j. whether there is reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment.

(ii) To recommend the nomination of a person or persons as External Auditors and the external audit fee.

5. Rights

The Committee shall, in accordance with the procedures determined by the Board and at the cost of the Company :

a. have authority to investigate any matter within its Terms of Reference ;
b. have the resources which are required to perform its duties ;
c. have full and unrestricted access to any information pertaining to the Group ;
d. have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any) ;
e. be able to obtain independent professional advice ; and
f. be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

6. Reporting Procedures

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

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

During the financial year 2010, the Audit Committee discharged its duties and responsibilities in accordance with its terms of reference. The main activities undertaken by the Audit Committee were as follows :

Financial and Operations Review

- Reviewed operational reports ;
- Reviewed and recommended for the Board's approval the quarterly reports for announcement to the Bursa Securities in compliance with the Financial Reporting Standards and adhered to other legal and regulatory requirements ;
- Reviewed the annual audited financial statements of the Group and the Company with the External Auditors prior to submission to the Board for approval ;
- Reviewed the outcome of the risk management programme, including key risks identified, the potential impacts and the likelihood of the risks occurring, existing controls which can mitigate the risks and action plans ; and
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with Best Practices set under the Malaysian Code of Corporate Governance in conjunction with the preparation of the Corporate Governance Statement and Internal Control Statement.

External Audit

- Reviewed the External Auditor's annual audit plan and audit strategy for the financial year ended 31 January 2010 to ensure their scope of work adequately covered the activities of the Company and the Group.
- Discussed with the management and the External Auditors the Financial Reporting Standards applicable to the financial statements of the Company and the Group that were applied and their judgement of the items that may affect the financial statements.
- Reviewed with the External Auditors, the result of the audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of the audit that required appropriate actions and the Management's responses thereon.
- Reviewed and evaluated the External Auditor's performance, objectivity and independence during the year before recommending to the Board for re-appointment and remuneration.
- Held independent meetings (without the presence of Management) with the External Auditors.

Internal Audit

- Reviewed and approved the Internal Audit Department's ("IAD") resource requirement, programmes and plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries.
- Reviewed the internal audit reports presented by the IAD on findings, recommendations and management responses thereto and ensured that material findings were adequately addressed by the Management and reported to the Board relevant issues.
- Prepared the Audit Committee report for inclusion in the Annual Report 2010 ;
- Held independent meetings (without the presence of Management) with the Internal Auditors.

Risk Management

- Reviewed the Risk Management Committee's reports and assessment.

Related Party Transactions

- The Audit Committee reviewed all significant related party transactions entered by the Company and the Group to ensure that such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the internal control procedures employed are both sufficient and effective before recommending to the Board for approval.

Employees' Share Option Scheme (ESOS)

- Reviewed the list of eligible employees and the allocation of options to be offered to them in accordance with the By-laws of the ESOS.

This Statement is made in accordance with a resolution of the Board of Directors dated 28 June 2010.

Report of the Remuneration Committee

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members :

Chairman : Teoh Cheng Hai
Members : Gan Kim Guan
Gooi Seong Lim
Chew Poh Soon
Secretaries : Chong Fook Sin
Ng Kam May

TERMS OF REFERENCE

(1) Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least three (3) Directors, wholly or a majority of whom are Non-executive Directors.

The members of the Committee shall elect the Chairman from amongst their members who shall be a Non-executive Director. In order to form a quorum in respect of a meeting of the Committee, the members present must be wholly or a majority of whom must be Non-executive Directors.

The Company Secretary shall be the Secretary of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once a year.

(3) Authority

The Committee is authorised to draw advice from outside as and when necessary in forming its recommendation to the Board on the remuneration of the Executive Directors in all its forms. Executive Directors should play no part in deciding their own remuneration and should abstain from discussion of their own remuneration.

(4) Duty

The duty of the Committee is to recommend to the Board the structure and level of remuneration of Executive Directors.

(5) Reporting Procedures

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2010. All members attended the meeting.

The main activities undertaken by the Committee during the year under review were as follows :

a) Reviewed the structure of the remuneration package for each of the Executive Directors ; and
b) Reviewed the incentive / variable performance bonuses for the Executive Chairman, Managing Director and Executive Directors.

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members :

Chairman : Teoh Cheng Hai
Members : Gan Kim Guan
Chew Poh Soon
Secretaries : Chong Fook Sin
Ng Kam May

TERMS OF REFERENCE

(1) Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist exclusively of Non-executive Directors, minimum three (3), a majority of whom are Independent Directors.

The members of the Committee shall elect the Chairman from amongst their members who shall be an Independent Director. In order to form a quorum in respect of a meeting of the Committee, the members present must be wholly or a majority of whom must be Independent Directors.

The Company Secretary shall be the Secretary of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once a year.

(3) Authority

The Committee is to recommend new nominees for the Board and the board committees and to assess Directors on an ongoing basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.

(4) Duty

The duties of the Committee shall be :

(i) to recommend to the Board, candidates for all directorships and in doing so, preference shall be given to shareholders or existing Board members and candidates proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder may also be considered ;
(ii) to recommend to the Board, directors to fill the seats in board committees ;
(iii) to review annually, on behalf of the Board, the required mix of skills, experience and other qualities, including core competencies, which Non-executive Directors should bring to the Board.
(iv) to carry out annually, on behalf of the Board, the assessment of the effectiveness of the Board as a whole, the board committees and the contribution of each individual Director.

(5) Reporting Procedures

The Company Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2010. All members attended the meeting.

The main activities undertaken by the Committee during the year under review were as follows :

a) Reviewed the composition and the required mix of skills, experience and other qualities of the Board ; and
b) Reviewed the re-election of directors retiring at the AGM under Article 77 of the Articles of Association.

FINANCIAL STATEMENTS

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of cultivation of oil palm and cocoa and investment holding. The principal activities of the subsidiary companies are listed in Note 7 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	59,524,916	29,617,063
Attributable to :		
Equity holders of the Company	48,137,545	29,617,063
Minority interests	11,387,371	-
	59,524,916	29,617,063

DIVIDENDS

The dividends paid or declared by the Company since the end of the previous financial year were as follows :

	RM
In respect of the financial year ended 31 January 2009, as shown in the Directors' report of that year, a final gross dividend of 3 sen per share on 302,911,806 ordinary shares, which comprises 2.5 sen less tax and 0.5 sen tax exempt paid on 18 August 2009	7,194,155
In respect of the financial year ended 31 January 2010, an interim gross dividend of 4 sen per share on 304,044,152 ordinary shares, single tier tax exempt, paid on 16 December 2009	12,161,766
	19,355,921

The Directors recommend the payment of a final gross dividend in respect of financial year ended 31 January 2010 of 6 sen per share, single tier tax exempt, subject to the approval by members at the forthcoming Annual General Meeting of the Company.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES, SHARE OPTIONS AND DEBENTURES

During the financial year:

i) 851,900 ordinary shares of RM1 each were issued by virtue of the exercise of 620,700 share options (at par value), 179,200 share options (at RM1.19 per share) and 52,000 share options (at RM1.75 per share) granted pursuant to the Company's Employees' Share Option Scheme.

ii) 1,132,480 ordinary shares of RM1 each were issued pursuant to the exercise of 1,132,480 Warrants.

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

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

EMPLOYEES' SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS") which came into effect on 18 March 2005 for a period of 5 years. The ESOS is governed by the By-Laws which was approved by the shareholders on 26 January 2005. On 30 March 2009, the Directors approved to extend the ESOS period for another 5 years from 17 March 2010.

The main features of the ESOS are :

(i) The total number of new ordinary shares to be issued by the Company under the ESOS shall not exceed 15% of the total issued and paid up ordinary shares of the Company, and such that not more than 50% of the shares available under ESOS is allocated in aggregate to the directors and senior management.

(ii) Not more than 10% shares available under ESOS is allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid up capital of the Company.

(iii) Only staff and executive directors of the Group are eligible to participate in the scheme. Executive directors are those involved in a full time day-to-day managerial and executive capacity in any company within the Group and on the payroll of the Group.

(iv) The option price under the ESOS is the five (5) days weighted average market price of the shares of the Company at the time the option is granted, subject to a discount of not more than ten percent (10%) which the Company may at its discretion decide to give, or the par value of the shares of the Company of RM1, whichever is the higher.

(v) The options granted will be valid up to the extended expiry date of the ESOS on 17 March 2015.

(vi) An option holder may, in a particular year, exercise up to such maximum number of shares as specified in the option certificate in accordance with By-law 7.4.

The percentage of options exercisable in each of the years during the period of ESOS is as follows :

Options issued in :	Number of share options granted and unexercised as at 31 January 2010	Percentage of options exercisable in financial year 2011 %	2012 %	2013 %
2005	292,100	100	-	-
2006	19,900	100	-	-
2007	315,200	100	-	-
2008	1,158,400	100	-	-
2009	791,700	74	20	6
	2,577,300			

(vii) The persons to whom the options are granted have no right to participate by virtue of the options in any shares issue of any other company within the Group.

(viii) Eligible employees are those who have been employed for at least three calendar months of continuous service, after the probation period, and is confirmed in full time service in any company within the Group.

During the financial year, the Company issued 935,900 new options to eligible employees. The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted options to subscribe for less than 100,000 ordinary shares of RM1 each.

No employees granted options to subscribe for 100,000 or more ordinary shares of RM1 each during the financial year.

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

DIRECTORS

The Directors who have held office since the date of the last report are :-

Gooi Seong Lim
Gooi Seong Heen
Gooi Seong Chneh
Gooi Seong Gum
Gan Kim Guan
Teoh Cheng Hai
Chew Poh Soon

In accordance with Article 77 of the Company's Articles of Association, Gooi Seong Lim, Gooi Seong Gum and Teoh Cheng Hai retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election except for Teoh Cheng Hai who does not wish to seek re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has substantial financial interests.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the Directors who held office at the end of the financial year had, according to the register of directors' shareholdings, any interests in shares, debentures and options over shares in the Company and its related corporations except as stated below :

	Number of ordinary shares of RM1 each in the Company			
Name of the Director	**At 1.2.2009**	**Bought**	**Sold**	**At 31.1.2010**
Gooi Seong Lim				
- direct interests	1,159,760	89,000	(772,760)	476,000
- indirect interests	192,718,965	3,641,999	-	196,360,964
Gooi Seong Heen				
- direct interests	1,019,760	89,000	-	1,108,760
- indirect interests	192,382,965	2,642,000	-	195,024,965
Gooi Seong Chneh				
- direct interests	879,760	-	-	879,760
- indirect interests	192,382,965	2,642,000	-	195,024,965
Gooi Seong Gum				
- direct interests	2,142,000	-	(19,000)	2,123,000
- indirect interests	192,438,965	2,642,000	-	195,080,965

	Number of Warrants 2005/2012 in the Company			
Name of the Director	**At 1.2.2009**	**Bought**	**Exercised**	**At 31.1.2010**
Gooi Seong Lim				
- indirect interests	2,240	-	-	2,240
Gooi Seong Heen				
- indirect interests	2,240	-	-	2,240
Gooi Seong Chneh				
- indirect interests	2,240	-	-	2,240
Gooi Seong Gum				
- indirect interests	2,240	-	-	2,240

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

Name of the Director	Number of options under Employees' Share Option Scheme over ordinary shares of RM1 each in the Company At 1.2.2009	Granted	Exercised	At 31.1.2010
Gooi Seong Lim	108,600	-	(89,000)	19,600
Gooi Seong Heen	108,600	-	(89,000)	19,600
Gooi Seong Chneh	108,600	-	-	108,600
Gooi Seong Gum	108,600	-	-	108,600

Name of the Director	Number of ordinary shares of RM1 each in related corporations At 1.2.2009	Bought	Sold	At 31.1.2010
Crescendo Corporation Berhad				
Gooi Seong Lim				
- direct interests	2,277,836	-	(2,137,836)	140,000
- indirect interests	99,404,700	2,137,836	-	101,542,536
Gooi Seong Heen				
- direct interests	2,142,835	-	(500,000)	1,642,835
- indirect interests	99,368,700	-	-	99,368,700
Gooi Seong Chneh				
- direct interests	1,974,836	-	(500,000)	1,474,836
- indirect interests	99,334,700	-	-	99,334,700
Gooi Seong Gum				
- indirect interests	99,334,700	-	-	99,334,700
Crescendo Overseas Corporation Sdn. Bhd.				
Gooi Seong Lim				
- direct interests	9,800	2,450	-	12,250
- indirect interests	51,000	-	-	51,000
Gooi Seong Heen				
- direct interests	9,800	2,450	-	12,250
- indirect interests	51,000	-	-	51,000
Gooi Seong Chneh				
- direct interests	9,800	2,450	-	12,250
- indirect interests	51,000	-	-	51,000
Gooi Seong Gum				
- direct interests	9,800	2,450	-	12,250
- indirect interests	51,000	-	-	51,000
Panoramic Housing Development Sdn. Bhd.				
Gooi Seong Lim				
- direct interests	4,560	1,140	-	5,700
- indirect interests	1,444,200	-	-	1,444,200
Gooi Seong Heen				
- direct interests	4,560	1,140	-	5,700
- indirect interests	1,444,200	-	-	1,444,200
Gooi Seong Chneh				
- direct interests	4,560	1,140	-	5,700
- indirect interests	1,444,200	-	-	1,444,200
Gooi Seong Gum				
- direct interests	4,560	1,140	-	5,700
- indirect interests	1,444,200	-	-	1,444,200

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

Name of the Director	Number of options under Employees' Share Option Scheme over ordinary shares of RM1 each in a related corporation, Crescendo Corporation Berhad			
	At 1.2.2009	Granted	Exercised	At 31.1.2010
Gooi Seong Heen	228,000	-	-	228,000
Gooi Seong Chneh	128,000	21,000	-	149,000
Gooi Seong Gum	329,000	21,000	-	350,000

Name of the Director	Number of Irredeemable Convertible Unsecured Loan Stocks 2009/2016 at nominal value of RM1 each in a related corporation, Crescendo Corporation Berhad			
	At 1.2.2009	Bought	Sold	At 31.1.2010
Gooi Seong Lim				
- direct interests	1,138,918	-	(1,068,918)	70,000
- indirect interests	51,480,981	1,068,918	-	52,549,899
Gooi Seong Heen				
- direct interests	1,071,417	-	-	1,071,417
- indirect interests	51,462,981	-	-	51,462,981
Gooi Seong Chneh				
- direct interests	987,418	-	-	987,418
- indirect interests	51,445,981	-	-	51,445,981
Gooi Seong Gum				
- indirect interests	51,445,981	-	-	51,445,981

Name of the Director	Number of Warrants 2009/2014 in a related corporation, Crescendo Corporation Berhad			
	At 1.2.2009	Bought	Sold	At 31.1.2010
Gooi Seong Lim				
- direct interests	1,138,918	332,000	(1,068,918)	402,000
- indirect interests	51,480,981	1,068,918	(500,000)	52,049,899
Gooi Seong Heen				
- direct interests	1,071,417	-	(166,000)	905,417
- indirect interests	51,462,981	-	-	51,462,981
Gooi Seong Chneh				
- direct interests	987,418	-	(166,000)	821,418
- indirect interests	51,445,981	-	-	51,445,981
Gooi Seong Gum				
- indirect interests	51,445,981	-	-	51,445,981

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

Name of the Director	Number of ordinary shares of RM100 each in holding company, Sharikat Kim Loong Sendirian Berhad At 1.2.2009	Bought	Sold	At 31.1.2010
Gooi Seong Lim				
- direct interests	17,500	4,375	-	21,875
- indirect interests	11,250	-	-	11,250
Gooi Seong Heen				
- direct interests	17,500	4,375	-	21,875
- indirect interests	11,250	-	-	11,250
Gooi Seong Chneh				
- direct interests	17,500	4,375	-	21,875
- indirect interests	11,250	-	-	11,250
Gooi Seong Gum				
- direct interests	17,500	4,375	-	21,875
- indirect interests	11,250	-	-	11,250

By virtue of their interests in the shares in the holding company, Sharikat Kim Loong Sendirian Berhad, Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum are also deemed to have interests in the shares in the Company and its related corporations to the extent that the holding company has interests.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps :-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the Directors are not aware of any circumstances :

(a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or the Company to meet their obligations when they fall due.

At the date of this report, there does not exist :

(a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year to secure the liability of any other person; or

(b) any contingent liability of the Group or the Company which has arisen since the end of the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors :

(a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

HOLDING AND ULTIMATE HOLDING COMPANY

The Directors regard Sharikat Kim Loong Sendirian Berhad, a company incorporated in Malaysia, as the Company's holding and ultimate holding company.

AUDITORS

The auditors, SKW Associates, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Directors

GOOI SEONG HEEN
Director

GOOI SEONG CHNEH
Director

Dated : 24 May 2010

Statement by Directors

pursuant to Section 169(15) of the Companies Act 1965

We, Gooi Seong Heen and Gooi Seong Chneh, being two of the Directors of KIM LOONG RESOURCES BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 55 to 101 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2010 and of the results, changes in equity and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable Financial Reporting Standards and the provisions of the Companies Act 1965.

On behalf of the Board,

GOOI SEONG HEEN
Director

GOOI SEONG CHNEH
Director

Dated : 24 May 2010

Statutory Declaration

pursuant to Section 169(16) of the Companies Act 1965

I, Gooi Seong Heen, being the Director primarily responsible for the financial management of KIM LOONG RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 55 to 101 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
Gooi Seong Heen,)
at Johor Bahru in the state of Johor)
this 24 May 2010) **GOOI SEONG HEEN**

Before me,

Commissioner for Oaths

Independent Auditors' Report

to the members of Kim Loong Resources Berhad (22703 – K)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Kim Loong Resources Berhad, which comprise the balance sheets as at 31 January 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 55 to 101.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 January 2010 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) We have considered the financial statements and the auditors' report of the subsidiary which we have not acted as auditors.

c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SKW Associates
Firm Number : AF 0312
Chartered Accountants

Soong Ah Chye
Approval Number : 1767/05/12 (J)
Chartered Accountant

Johor Bahru
Dated : 24 May 2010

Balance Sheets

as at 31 January 2010

	NOTE	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	185,197,044	169,514,979	5,074,731	4,804,904
Prepaid land lease payments	5	178,735,107	164,647,337	62,203,979	63,088,055
Biological assets	6	71,670,912	65,330,218	1,830,127	1,871,926
Investment in subsidiary companies	7	-	-	48,624,901	44,674,901
Quoted investments	8	41,500	12,500	-	-
Intangible assets	9	3,130,293	1,452,590	-	-
Deferred tax assets	25	3,330,000	3,359,000	-	-
		442,104,856	404,316,624	117,733,738	114,439,786
Current assets					
Inventories	10	32,969,162	24,287,259	648,496	942,760
Amount due from customers on contracts	11	15,633	-	-	-
Trade receivables	12	11,663,723	19,285,277	623,194	1,953,776
Other receivables, deposits and prepayments	13	12,043,478	6,541,035	3,897,780	1,259,400
Tax recoverable		956,898	1,177,275	-	-
Amount owing by holding company	27	3,840	2,251	-	-
Amount owing by subsidiary companies	14	-	-	169,248,265	177,966,968
Amount owing by related companies	15	334,915	490,015	8,560	4,560
Bank and cash balances	16	94,526,898	76,379,232	60,284,940	45,385,942
		152,514,547	128,162,344	234,711,235	227,513,406
TOTAL ASSETS		594,619,403	532,478,968	352,444,973	341,953,192
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	17	304,237,352	302,252,972	304,237,352	302,252,972
Reserves	18	117,732,589	88,844,858	35,376,251	25,009,002
		421,969,941	391,097,830	339,613,603	327,261,974
Minority interests		37,787,068	27,728,890	-	-
Total equity		459,757,009	418,826,720	339,613,603	327,261,974
Non-current liabilities					
Other borrowings	23	12,800,967	13,671,774	-	-
Interest bearing borrowings (secured)	24	36,747,326	22,323,440	-	-
Deferred tax liabilities	25	44,129,470	42,348,191	9,802,878	9,876,678
		93,677,763	78,343,405	9,802,878	9,876,678
Current liabilities					
Trade payables	26	18,802,159	14,084,400	919,168	2,382,981
Other payables and accruals	26	9,934,333	8,361,875	1,596,047	1,235,405
Amount owing to holding company	27	179,825	164,042	43,240	45,600
Amount owing to subsidiary companies	14	-	-	63,224	1,052,741
Amount owing to related companies	15	145,484	365,166	-	-
Other borrowings	23	850,000	400,000	-	-
Interest bearing borrowings (secured)	24	8,371,468	9,315,447	-	-
Tax payable		2,901,362	2,617,913	406,813	97,813
		41,184,631	35,308,843	3,028,492	4,814,540
Total liabilities		134,862,394	113,652,248	12,831,370	14,691,218
TOTAL EQUITY AND LIABILITIES		594,619,403	532,478,968	352,444,973	341,953,192

Income Statements

for the financial year ended 31 January 2010

	NOTE	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Revenue	28	451,533,245	507,084,584	23,300,615	32,533,140
Cost of sales	29	(353,563,813)	(383,834,868)	(11,818,772)	(13,427,096)
Gross profit		97,969,432	123,249,716	11,481,843	19,106,044
Other income	30	3,262,362	3,654,049	26,888,138	68,816,051
Distribution costs		(9,590,426)	(10,513,391)	-	-
Administration expenses		(9,411,954)	(8,955,876)	(5,112,040)	(5,218,884)
Other expenses		(1,414,875)	(2,390,388)	(105,421)	(1,886,216)
Finance costs	31	(1,359,337)	(660,304)	-	-
Profit before tax	32	79,455,202	104,383,806	33,152,520	80,816,995
Tax expense	35	(19,930,286)	(22,820,971)	(3,535,457)	(4,787,097)
Net profit for the financial year		59,524,916	81,562,835	29,617,063	76,029,898
Attributable to :					
Equity holders of the Company		48,137,545	65,375,115	29,617,063	76,029,898
Minority interests		11,387,371	16,187,720	-	-
		59,524,916	81,562,835	29,617,063	76,029,898
Earnings per share (sen) :					
- Basic	36	15.9	21.8		
- Diluted	36	15.8	21.5		

Consolidated Statement of Changes in Equity

for the financial year ended 31 January 2010

	Attributable to equity holders of the Company							
		Non-distributable			Distributable			
	Share capital RM	Share premium RM	Revaluation reserve RM	Option reserve RM	Retained profits RM	Total RM	Minority interests RM	Total equity RM
Balance as at 1 February 2008								
As previously stated	209,956,695	36,263,053	44,785,323	-	92,947,013	383,952,084	15,222,195	399,174,279
Prior year adjustments :								
Effects of adopting FRS 112 on income tax	-	-	-	-	1,970,500	1,970,500	844,500	2,815,000
As restated	209,956,695	36,263,053	44,785,323	-	94,917,513	385,922,584	16,066,695	401,989,279
Realisation of revaluation surplus on leasehold land, net of tax **(Note 38)**	-	-	(825,670)	-	825,670	-	-	-
Reduction in deferred tax arising from change in tax rate	-	-	561,314	-	-	561,314	102,739	664,053
Income and expenses recognised directly in equity	-	-	(264,356)	-	825,670	561,314	102,739	664,053
Net profit for the year	-	-	-	-	65,375,115	65,375,115	16,187,720	81,562,835
Total recognised income and expenses for the year	-	-	(264,356)	-	66,200,785	65,936,429	16,290,459	82,226,888

Consolidated Statement of Changes in Equity

for the financial year ended 31 January 2010

	Attributable to equity holders of the Company							
		Non-distributable			Distributable			
	Share capital RM	Share premium RM	Revaluation reserve RM	Option reserve RM	Retained profits RM	Total RM	Minority interests RM	Total equity RM
Dividends for the year ended								
- 31.1.2008	-	-	-	-	(7,969,462)	(7,969,462)	-	(7,969,462)
- 31.1.2009	-	-	-	-	(59,681,676)	(59,681,676)	(2,700,000)	(62,381,676)
Reversal of minority interests' share of loss previously set off against their advances	-	-	-	-	-	-	(1,928,264)	(1,928,264)
Share-based payment under ESOS	-	-	-	411,215	-	411,215	-	411,215
Transfer of reserve arising from exercise of ESOS	-	193,326	-	(193,326)	-	-	-	-
Issue of shares pursuant to :								
- exercise of ESOS	1,238,700	475,267	-	-	-	1,713,967	-	1,713,967
- exercise of Warrants	4,809,941	-	-	-	-	4,809,941	-	4,809,941
- Bonus issue	86,247,636	(36,263,053)	-	-	(49,984,583)	-	-	-
Expenses in relation to issuance of shares	-	(45,168)	-	-	-	(45,168)	-	(45,168)
Balance as at 31 January 2009	302,252,972	623,425	44,520,967	217,889	43,482,577	391,097,830	27,728,890	418,826,720

Consolidated Statement of Changes in Equity

for the financial year ended 31 January 2010

	Attributable to equity holders of the Company							
		Non-distributable			Distributable			
	Share capital RM	Share premium RM	Revaluation reserve RM	Option reserve RM	Retained profits RM	Total RM	Minority interests RM	Total equity RM
Balance as at 1 February 2009	302,252,972	623,425	44,520,967	217,889	43,482,577	391,097,830	27,728,890	418,826,720
Realisation of revaluation surplus on leasehold land, net of tax **(Note 38)**	-	-	(825,670)	-	825,670	-	-	-
Income and expenses recognised directly in equity	-	-	(825,670)	-	825,670	-	-	-
Net profit for the year	-	-	-	-	48,137,545	48,137,545	11,387,371	59,524,916
Total recognised income and expenses for the year	-	-	(825,670)	-	48,963,215	48,137,545	11,387,371	59,524,916
Dividends for the year ended								
- 31.1.2009	-	-	-	-	(7,194,155)	(7,194,155)	-	(7,194,155)
- 31.1.2010	-	-	-	-	(12,161,766)	(12,161,766)	(2,400,000)	(14,561,766)
Minority interests' share of loss set off against their advances	-	-	-	-	-	-	20,807	20,807
Share-based payment under ESOS	-	-	-	47,234	-	47,234	-	47,234
Issuance of shares to minority interests of subsidiary company	-	-	-	-	-	-	1,050,000	1,050,000
Transfer of reserve arising from exercise of ESOS	-	105,143	-	(105,143)	-	-	-	-
Issue of shares pursuant to exercise of :								
- ESOS	851,900	73,048	-	-	-	924,948	-	924,948
- Warrants	1,132,480	-	-	-	-	1,132,480	-	1,132,480
Expenses in relation to issuance of shares	-	(14,175)	-	-	-	(14,175)	-	(14,175)
Balance as at 31 January 2010	304,237,352	787,441	43,695,297	159,980	73,089,871	421,969,941	37,787,068	459,757,009

Company Statement of Changes in Equity

for the financial year ended 31 January 2010

	Share capital RM	Non-distributable Share premium RM	Non-distributable Revaluation reserve RM	Non-distributable Option reserve RM	Distributable Retained profits RM	Total RM
Balance as at 1 February 2008						
As previously stated	209,956,695	36,263,053	43,390,776	-	66,013,382	355,623,906
Prior year adjustments **(Note 47)**	-	-	(28,685,506)	-	(15,143,860)	(43,829,366)
As restated	209,956,695	36,263,053	14,705,270	-	50,869,522	311,794,540
Realisation of revaluation surplus on leasehold land, net of tax **(Note 38)**	-	-	(203,988)	-	203,988	-
Reduction in deferred tax arising from change in tax rate	-	-	198,719	-	-	198,719
Income and expenses recognised directly in equity	-	-	(5,269)	-	203,988	198,719
Net profit for the year	-	-	-	-	76,029,898	76,029,898
Total recognised income and expenses for the year	-	-	(5,269)	-	76,233,886	76,228,617
Dividends for the year ended :-						
- 31.1.2008	-	-	-	-	(7,969,462)	(7,969,462)
- 31.1.2009	-	-	-	-	(59,681,676)	(59,681,676)
Share-based payment under ESOS	-	-	-	411,215	-	411,215
Transfer of reserve arising from exercise of ESOS	-	193,326	-	(193,326)	-	-
Issue of shares pursuant to :						
- exercise of ESOS	1,238,700	475,267	-	-	-	1,713,967
- exercise of Warrants	4,809,941	-	-	-	-	4,809,941
- Bonus issue	86,247,636	(36,263,053)	-	-	(49,984,583)	-
Expenses in relation to issuance of shares	-	(45,168)	-	-	-	(45,168)
Balance as at 31 January 2009	302,252,972	623,425	14,700,001	217,889	9,467,687	327,261,974

Company Statement of Changes in Equity

for the financial year ended 31 January 2010

	Share capital RM	Non-distributable Share premium RM	Non-distributable Revaluation reserve RM	Non-distributable Option reserve RM	Distributable Retained profits RM	Total RM
Balance as at 1 February 2009						
As previously stated	302,252,972	623,425	27,617,908	217,889	24,611,547	355,323,741
Prior year adjustments **(Note 47)**	-	-	(12,917,907)	-	(15,143,860)	(28,061,767)
As restated	302,252,972	623,425	14,700,001	217,889	9,467,687	327,261,974
Realisation of revaluation surplus on leasehold land, net of tax **(Note 38)**	-	-	(203,988)	-	203,988	-
Income and expenses recognised directly in equity	-	-	(203,988)	-	203,988	-
Net profit for the year	-	-	-	-	29,617,063	29,617,063
Total recognised income and expenses for the year	-	-	(203,988)	-	29,821,051	29,617,063
Dividends for the year ended :-						
- 31.1.2009	-	-	-	-	(7,194,155)	(7,194,155)
- 31.1.2010	-	-	-	-	(12,161,766)	(12,161,766)
Share-based payment under ESOS	-	-	-	47,234	-	47,234
Transfer of reserve arising from exercise of ESOS	-	105,143	-	(105,143)	-	-
Issue of shares pursuant to exercise of :						
- ESOS	851,900	73,048	-	-	-	924,948
- Warrants	1,132,480	-	-	-	-	1,132,480
Expenses in relation to issuance of shares	-	(14,175)	-	-	-	(14,175)
Balance as at 31 January 2010	304,237,352	787,441	14,496,013	159,980	19,932,817	339,613,603

Cash Flow Statements

for the financial year ended 31 January 2010

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash flows from operating activities				
Cash receipts from customers	458,006,144	506,340,368	25,443,589	34,523,421
Rental received	67,800	35,210	-	-
Interest received	1,780,310	2,490,479	3,207,553	3,664,227
Dividends received	-	-	20,655,000	63,041,455
Cash paid to suppliers and employees	(355,169,011)	(402,025,700)	(16,413,583)	(16,933,378)
Cash generated from operations	104,685,243	106,840,357	32,892,559	84,295,725
Interest paid	(1,330,190)	(646,024)	-	-
Tax paid	(17,616,181)	(23,273,751)	(3,300,257)	(7,052,497)
Net cash from operating activities	85,738,872	82,920,582	29,592,302	77,243,228
Cash flows from investing activities				
Acquisition of biological assets and property, plant and equipment **(Note a)**	(34,335,279)	(57,981,818)	(2,531,179)	(584,152)
Land lease payments **(Note b)**	(1,953,493)	(490,385)	-	-
Additional investment in existing subsidiary companies	-	-	(3,950,000)	(499,998)
Proceeds from disposal of property, plant and equipment	228,031	709,650	27,818	31,650
Development expenditure paid **(Note c)**	(912,785)	(712,927)	-	-
Interest paid	(66,704)	(205,156)	-	-
Net cash effect on acquisition of subsidiary company **(Note d)**	(25,368,216)	-	-	-
Net cash used in investing activities	(62,408,446)	(58,680,636)	(6,453,361)	(1,052,500)
Cash flows from financing activities				
Advances to holding company	-	(2,251)	-	-
Proceeds from issuance of shares to minority interests	1,050,000	-	-	-
Repayments from subsidiary companies	-	-	47,624,040	24,004,812
Repayments to subsidiary companies	-	-	(989,517)	(18,839,858)
Advances to subsidiary companies	-	-	(37,561,798)	(50,129,091)
Advances from subsidiary companies	-	-	-	995,101
Dividends paid	(19,355,921)	(67,651,138)	(19,355,921)	(67,651,138)
Dividends paid to minority interests	(2,400,000)	(2,700,000)	-	-
Expenses paid in relation to issuance of shares	(14,175)	(123,362)	(14,175)	(123,362)
Proceeds from issuance of shares	2,057,428	6,523,908	2,057,428	6,523,908
Proceeds from bank borrowings	20,000,000	20,000,000	-	-
Repayments of bank borrowings	(7,093,669)	(5,131,336)	-	-
Net cash used in financing activities	(5,756,337)	(49,084,179)	(8,239,943)	(105,219,628)
Net increase/(decrease) in cash and cash equivalents	17,574,089	(24,844,233)	14,898,998	(29,028,900)
Cash and cash equivalents at beginning of year	75,278,455	100,122,688	45,385,942	74,414,842
Cash and cash equivalents at end of year (Note e)	92,852,544	75,278,455	60,284,940	45,385,942

Cash Flow Statements
for the financial year ended 31 January 2010

Note a : Acquisition of biological assets and property, plant and equipment

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Biological assets and property, plant and equipment acquired	31,032,976	62,476,396	1,192,179	584,152
Less expenses capitalised :				
- depreciation and amortisation	(197,208)	(309,067)	-	-
- interest	(66,704)	(205,156)	-	-
Cash paid in respect of prior year acquisition	1,795,638	1,062,454	-	-
Unpaid balances of current year's acquisition included under payables	(1,410,099)	(3,407,852)	-	-
Prepayment/deposits paid in prior years	(1,220,485)	(2,140,364)	-	-
Prepayment/deposits paid in current year	4,401,161	505,407	1,339,000	-
Cash paid	34,335,279	57,981,818	2,531,179	584,152

Note b : Land lease payments

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Addition of prepaid land lease payments	1,553,493	398,365	-	-
Cash paid in respect of prior year's addition	400,000	400,000	-	-
Unpaid balance of current year's addition included under payables	-	(307,980)	-	-
	1,953,493	490,385	-	-

Note c : Development expenditure

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Incurred during the year	1,677,703	1,452,590	-	-
Less depreciation capitalised	(764,918)	(739,663)	-	-
Cash paid	912,785	712,927	-	-

Note d : Net cash effect on acquisition of subsidiary company

Details of net assets acquired, goodwill and cash flow arising from acquisition were as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Non-current assets	24,392,274	-	-	-
Current assets	659,016	2	-	-
Current liabilities	(13,805,271)	-	-	-
	11,246,019	2	-	-
Goodwill on consolidation	368,226	-	-	-
Liabilities taken over	13,753,981	-	-	-
Total consideration	25,368,226	2	-	-
Less: Cash and cash equivalents acquired	(10)	(2)	-	-
Net cash effect	25,368,216	-	-	-

Note e : Cash and cash equivalents at end of year

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Bank and cash balances **(Note 16)**	94,526,898	76,379,232	60,284,940	45,385,942
Bank overdrafts **(Note 24)**	(1,674,354)	(1,100,777)	-	-
	92,852,544	75,278,455	60,284,940	45,385,942

1. GENERAL INFORMATION

a) The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

b) The address of the registered office of the Company is as follows :

Unit No. 203, 2nd Floor, Block C
Damansara Intan
No. 1, Jalan SS 20/27
47400 Petaling Jaya
Selangor

c) The address of the principal place of business of the Company is as follows :

Lot 18.01, 18th Floor, Public Bank Tower
19, Jalan Wong Ah Fook
80000 Johor Bahru
Johor

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention (unless indicated in the significant accounting policies) and comply with the provisions of the Companies Act 1965 and the applicable Financial Reporting Standards.

The preparation of financial statements in conformity with the Financial Reporting Standards requires the use of certain significant accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

b) Adoption of new and revised financial reporting standards (FRSs)

There are no new financing reporting standards which are effective for the current financial year.

The Group and the Company have not elected for early adoption of the following new and revised FRSs and IC Interpretation relevant to the current operations of the Group and the Company, which were issued but not yet effective for the financial year ended 31 January 2010 :

	Effective for financial periods beginning on or after
FRS 3 Business Combinations	1 July 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
FRS 101 Presentation of Financial Statements	1 January 2010
FRS 123 Borrowing Costs	1 January 2010
FRS 127 Consolidated and Separate Financial Statements	1 July 2010
FRS 139 Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Adoption of new and revised financial reporting standards (FRSs) (cont'd)

The above new and revised FRSs and IC Interpretation are not expected to have any significant impact on the financial statements of the Group and of the Company upon their initial application other than :

FRS 101 Presentation of Financial Statements

FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 101 does not have any impact on the financial position or results of the Group and of the Company.

IC Interpretation 10 : Interim Financial Reporting and Impairment

This IC prohibits impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group is in the process of assessing the impact of this Interpretation.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS139 by virtue of the exemptions given in the respective standards.

The Group and the Company has not elected for early adoption of all Amendments to FRSs relevant to current operations of the Group and the Company, which were issued but not yet effective for the financial year ended 31 January 2010. These Amendments to FRSs are not expected to have any significant impact on the financial statements of the Group and of the Company upon their initial application other than Amendments to FRS 117 Leases. FRS 117 clarifies on the classification of leases of land and buildings. For those land element under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and the liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendment; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is assessing the potential implication as a result of any reclassification of its unexpired land leases as operating or finance leases.

c) Subsidiary companies and basis of consolidation

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(t). A company is considered as a subsidiary when the Company owns directly or indirectly more than one half of the voting power of that company or the Company controls the composition of the board of directors or equivalent governing body.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statement.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets at the date of disposal.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the date of their acquisition or up to the date of their disposal. Inter-company transactions, balances and unrealised gains or losses are eliminated on consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Subsidiary companies and basis of consolidation (cont'd)

Minority interests in the net assets (excluding goodwill) of the consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Goodwill

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Gain and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Negative goodwill represents the excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination. Negative goodwill is recognised immediately to the income statement.

d) Property, plant and equipment and depreciation and amortisation

Freehold land is stated at cost/valuation less impairment losses, if any. Cost consists of the purchase price and incidental expenditure on acquisition. No depreciation is provided on freehold land.

All other items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight line basis so as to write off the cost of the property, plant and equipment over their estimated useful lives as follows :

	No. of years
Buildings	20 - 50
Plant and machinery	4 - 17
Equipment, furniture and fittings	10 - 17
Motor vehicles	5 - 10

The policy for the recognition and measurement of impairment losses is in accordance with Note 2(t).

Work-in-progress on property, plant and equipment are stated at cost incurred to balance sheet date and no depreciation is provided on these assets until they are completed and available for use.

The Group has adopted the policy of revaluing its freehold land on a regular basis at least once in every five years.

Surpluses arising from revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of previous surplus held in the revaluation reserve for the same assets. In all other cases, a decrease in carrying amount is charged to income statement.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Operating lease

Leasehold land that normally has an indefinite economic life and where title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid land lease payments at the balance sheet date. The prepaid land lease payments are amortised over the lease term in accordance with the pattern of benefits provided. The leasehold land with the lease term more than 50 years is classified as long term leasehold land and leasehold land with the lease term of 50 years and below is classified as short term leasehold land.

All other operating leases are not recognised in the balance sheet and all lease charges are charged to income statement on a straight line basis over the lease term unless qualified to be capitalised as assets.

f) Biological assets

Expenditure on development of biological assets represents planting and replanting cost (including interest) incurred from the commencement of development to the date of maturity of the crops. Expenditure on development of biological assets is capitalised at cost and amortised over their estimated useful lives of 15 to 20 years on straightline basis commencing from the date of maturity of the crops. Biological assets are reviewed for impairment in accordance with Note 2(t).

g) Investments

Quoted and unquoted investments which are held as long term investments are stated at cost. Allowance is made for diminution in value where, in the opinion of the Directors, there is a decline, other than temporary, in value of the investments. When there is a reversal of decline in value of these investments, the reversal is credited to the income statement. Such reversal shall be limited to the extent of previous decline in value for the same assets. The market value of the quoted investments is calculated based on the last transacted prices of these investments quoted in the respective stock exchanges at the balance sheet date.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

h) Intangible assets

Research and development costs

All research costs are recognised in the income statement as incurred.

Development expenditure relating to the development of new products are recognised as intangible assets.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed when incurred.

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised, commencing from the period commercial production of the underling product commences, using the straight-line basis over the commercial lives of the underlying products not exceeding five years. Development expenditure is reviewed for impairment in accordance with Note 2(t).

i) Inventories

Finished goods are stated at the lower of cost and net realisable value. Cost of finished goods are determined on first-in-first-out basis and consists of materials, labour and attributable overheads in bringing the inventories to their present location and condition.

Nursery stocks are valued at cost. Cost of nursery stock are determined on a first-in-first-out basis and includes cost of seedlings, labour, materials and attributable overheads in bringing the nursery stocks to their present location and condition.

Raw materials, work-in-progress, building materials, supplies, spare parts and consumables are valued at cost on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In arriving at net realisable value, due allowance is made for all damaged, obsolete and slow moving items.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) Receivables

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

k) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, bank balances, demand deposits (including fixed deposits held on lien for banking facilities) and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

l) Equity instruments

(i) Share capital

Ordinary shares are classified as equity. Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits in the period in which the obligation to pay is established.

(ii) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

m) Other borrowings

Other borrowings are stated based on the proceeds received and payments made on behalf of the Group or Company less subsequent repayments.

n) Interest bearing borrowings

Interest bearing borrowings are initially stated based on the proceeds received or the amount of drawdown. Transaction costs are charged to the income statement. In subsequent periods, borrowings are stated at amount of drawdown less repayment after deducting interest charges.

o) Payables

Payables are carried at fair value of the consideration to be paid in the future for goods and services received, whether billed or not billed to the Group or the Company.

p) Revenue recognition

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of discounts and returns. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, it is probable that the economic benefits associated with the transaction will flow to the Group, and there is no continuing management involvement with the goods.

Revenue from power generation activities is recognised upon invoiced value of steam supplied.

Interest income is recognised on a time proportion basis and takes into account the effective yield on the asset.

Management fee income is recognised on the accrual basis.

Rental income is recognised on the accrual basis in accordance with the substance of the rental agreement.

Dividend income is recognised when the right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

q) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of these assets. Capitalisation commences when activities to plan, develop and construct the qualifying asset are undertaken and ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed. All other borrowing costs are charged to the income statement.

r) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

The Group contributes to the Employees Provident Fund (EPF), the national defined contribution plan. Contributions to the defined contribution plan are charged to the income statement in the period in which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based compensation

The Kim Loong Resources Berhad Employees' Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

s) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unused tax losses or other tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the income statement for the period, except when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

t) Impairment of assets

The carrying amounts of assets, other than inventories, deferred tax assets, construction contracts and financial assets (except investment in subsidiaries) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or group of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

u) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. Foreign currency transactions are accounted for at exchange rates ruling at the transaction dates. Exchange differences arising from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities are charged to the income statement.

The principal closing rate used in translation of foreign currency amounts was as follows :

Foreign currency	2010 RM	2009 RM
1 USD	N/A	3.61

v) Financial instruments

(i) Recognition of financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instruments classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

v) Financial instruments (cont'd)

(ii) Fair value estimation for disclosure purposes

The fair value of quoted securities is based on the quoted market prices at the balance sheet date.

In assessing the fair value of non-traded financial instruments, the Group makes assumptions that are based on market conditions existing at the balance sheet date. Estimated discounted value of future cash flows is used to determine the fair value of the financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group.

The carrying amounts for financial assets and liabilities with a maturity period of less than one year are assumed to approximate their fair values.

w) Segment reporting

A business segment is identified as a separate segment where the product or services provided by the segment is subject to risks and returns that are different from those of other business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group does not identify segments by geographical location as it operates only in Malaysia.

The accounting policies adopted in segment reporting are identical to the accounting policies of the Group.

x) Reporting currency

The financial statements are presented in Ringgit Malaysia.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below :

Deferred tax assets

Deferred tax assets are recognised to the extent that is probable that future taxable profits will be available against which the unused tax losses, unabsorbed capital allowances and unutilised reinvestment allowance or other similar allowances in excess of normal capital allowance can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax assets have been recognised.

The total amount of recognised deferred tax assets on the unused tax losses, unabsorbed capital allowance and unutilised reinvestment allowance or other similar allowances in excess of normal capital allowance of the Group was approximately RM14,265,000 (2009 : RM14,773,000). The amount of temporary differences not recognised as deferred tax assets of the Group was approximately RM8,295,000 (2009 : RM2,698,000).

Depreciation of property, plant and equipment and biological assets

The cost of property, plant and equipment and biological assets for the palm oil industry is depreciated on a straight line basis over the useful lives of the assets. Management estimates the useful lives of these assets to be within 4 to 50 years. The estimation of the useful lives of property, plant and equipment and biological assets are based on the internal technical evaluation and experience with similar assets. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

4. PROPERTY, PLANT AND EQUIPMENT

Group

At 31 January 2010	Properties RM	Plant and machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Total RM
Cost					
At 1 February 2009	66,382,274	151,018,546	8,136,526	10,064,552	235,601,898
Additions	6,592,718	20,355,648	1,114,465	691,936	28,754,767
Arising from acquisition of subsidiary company	579,215	79,283	22,715	542,230	1,223,443
Disposals/write-offs	(140,710)	(2,092,043)	(64,318)	(922,416)	(3,219,487)
Reclassifications	-	217,300	-	(217,300)	-
At 31 January 2010	73,413,497	169,578,734	9,209,388	10,159,002	262,360,621
Accumulated Depreciation					
At 1 February 2009	10,010,658	45,200,760	4,654,975	6,220,526	66,086,919
Depreciation for the year	2,297,804	9,299,180	605,237	888,536	13,090,757
Arising from acquisition of subsidiary company	102,519	28,341	8,993	224,689	364,542
Disposals/write-offs	(61,283)	(1,423,777)	(42,395)	(851,186)	(2,378,641)
Reclassification	-	68,098	-	(68,098)	-
At 31 January 2010	12,349,698	53,172,602	5,226,810	6,414,467	77,163,577
Net Book Value At 31 January 2010	61,063,799	116,406,132	3,982,578	3,744,535	185,197,044
Net book value of assets under restriction of title due to bank borrowings	17,902,542	28,334,335	288,558	192,867	46,718,302
Net book value of assets under construction	1,657,542	22,437,954	-	-	24,095,496

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group (cont'd)

At 31 January 2009	**Properties RM**	**Plant and machinery RM**	**Equipment, furniture and fittings RM**	**Motor vehicles RM**	**Total RM**
Cost					
At 1 February 2008	55,281,765	106,796,467	7,515,878	9,803,761	179,397,871
Additions	11,155,075	44,894,929	746,201	1,216,341	58,012,546
Disposals/write-offs	(63,739)	(1,053,739)	(125,553)	(565,488)	(1,808,519)
Reclassifications	9,173	380,889	-	(390,062)	-
At 31 January 2009	66,382,274	151,018,546	8,136,526	10,064,552	235,601,898
Accumulated Depreciation					
At 1 February 2008	8,293,444	39,193,230	4,195,157	5,800,161	57,481,992
Depreciation for the year	1,732,325	6,744,517	522,908	901,415	9,901,165
Disposals/write-offs	(15,111)	(751,961)	(63,090)	(466,076)	(1,296,238)
Reclassification	-	14,974	-	(14,974)	-
At 31 January 2009	10,010,658	45,200,760	4,654,975	6,220,526	66,086,919
Net Book Value At 31 January 2009	56,371,616	105,817,786	3,481,551	3,844,026	169,514,979
Net book value of assets under restriction of title due to bank borrowings	15,904,703	27,769,520	286,841	172,139	44,133,203
Net book value of assets under construction	4,109,270	19,749,750	-	-	23,859,020

Properties consist of :

	2010		**2009**	
	Cost RM	**Net book value RM**	**Cost RM**	**Net book value RM**
Freehold				
At cost :				
Land	13,586,469	13,586,469	13,586,469	13,586,469
Buildings	9,043,610	6,749,523	8,387,799	6,349,396
Buildings under construction	58,574	58,574	506,998	506,998
Roads, culverts and fencing	3,195,771	787,163	3,177,511	960,165
Long leasehold				
At cost :				
Buildings	44,136,463	37,025,109	35,327,583	30,018,639
Buildings under construction	1,598,968	1,598,968	3,602,272	3,602,272
Roads, culverts and fencing	1,793,642	1,257,993	1,793,642	1,347,677
	73,413,497	61,063,799	66,382,274	56,371,616

Valuation of freehold land was carried out on 4 December 2008 by qualified valuers using the comparison method to reflect fair value.

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Directors did not adjust the book values of the freehold land to reflect the new value as their fair market value approximates their book value.

	2010 RM	2009 RM
Depreciation charge for the year :		
Amount capitalised in biological assets **(Note 6)**	103,167	88,795
Amount capitalised in development expenditure **(Note 9)**	764,918	739,663
Amount charged to income statement	12,222,672	9,072,707
	13,090,757	9,901,165

Included in the addition of property, plant and equipment during the year are :

Staff costs **(Note 33)**	-	111,485

Company

At 31 January 2010	Properties RM	Plant and machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Total RM
Cost					
At 1 February 2009	4,933,713	2,859,287	935,250	1,873,813	10,602,063
Additions	311,149	134,851	290,318	-	736,318
Disposals/write-offs	(49,210)	(54,049)	(40,696)	(183,332)	(327,287)
At 31 January 2010	5,195,652	2,940,089	1,184,872	1,690,481	11,011,094
Accumulated Depreciation					
At 1 February 2009	1,484,486	2,195,712	513,131	1,603,830	5,797,159
Depreciation for the year	99,828	111,815	92,249	94,941	398,833
Disposals/write offs	(22,027)	(29,857)	(27,844)	(179,901)	(259,629)
At 31 January 2010	1,562,287	2,277,670	577,536	1,518,870	5,936,363
Net Book Value					
At 31 January 2010	3,633,365	662,419	607,336	171,611	5,074,731
Net book value of assets under construction	7,696	-	-	-	7,696

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company (cont'd)

At 31 January 2009	Properties RM	Plant and machinery RM	Equipment, furniture and fittings RM	Motor vehicles RM	Total RM
Cost					
At 1 February 2008	4,788,905	2,591,053	909,764	1,813,819	10,103,541
Additions	144,808	268,234	37,100	134,010	584,152
Disposals/write-offs	-	-	(11,614)	(74,016)	(85,630)
At 31 January 2009	4,933,713	2,859,287	935,250	1,873,813	10,602,063
Accumulated Depreciation					
At 1 February 2008	1,387,376	2,065,019	442,452	1,556,297	5,451,144
Depreciation for the year	97,110	130,693	77,645	119,709	425,157
Disposals/write-offs	-	-	(6,966)	(72,176)	(79,142)
At 31 January 2009	1,484,486	2,195,712	513,131	1,603,830	5,797,159
Net Book Value					
At 31 January 2009	3,449,227	663,575	422,119	269,983	4,804,904
Net book value of assets under construction	17,408	9,912	-	-	27,320

Properties consist of :

	2010		2009	
	Cost RM	Net book value RM	Cost RM	Net book value RM
Long leasehold				
At cost :				
Buildings	5,187,956	3,625,669	4,916,305	3,431,819
Buildings under construction	7,696	7,696	17,408	17,408
	5,195,652	3,633,365	4,933,713	3,449,227

5. PREPAID LAND LEASE PAYMENTS

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
At 1 February 2009/2008	164,647,337	166,621,545	63,088,055	63,972,131
Additions	1,553,493	398,365	-	-
Arising from acquisition of subsidiary company	14,927,095	-	-	-
Amortisation for the year	(2,392,818)	(2,372,573)	(884,076)	(884,076)
At 31 January 2010/2009	178,735,107	164,647,337	62,203,979	63,088,055
Analysed as :				
Long term leasehold land	176,032,027	161,836,065	62,203,979	63,088,055
Short term leasehold land	2,703,080	2,811,272	-	-
	178,735,107	164,647,337	62,203,979	63,088,055
Net book value of leasehold land under restriction on title due to bank borrowings	34,497,729	33,424,397	-	-
Amortisation charge for the year :				
Amount capitalised in biological assets **(Note 6)**	94,041	220,272	-	-
Amount charged to income statement	2,298,777	2,152,301	884,076	884,076
	2,392,818	2,372,573	884,076	884,076

The leasehold land of the Group and the Company with carrying amount of RM149,191,060 (2009 : RM151,331,356) and RM46,129,637 (2009 : RM46,777,037) respectively were revalued in 2003, and the Group and the Company have retained the unamortised revalued amount as the surrogate cost of prepaid land lease payments in accordance with the transitional provision of FRS 117.

6. BIOLOGICAL ASSETS

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Cost				
At 1 February 2009/2008	93,566,504	89,102,654	9,545,860	9,545,860
Additions	2,278,209	4,463,850	455,861	-
Arising from acquisition of subsidiary company	9,175,093	-	-	-
Write offs	(577,804)	-	-	-
At 31 January 2010/2009	104,442,002	93,566,504	10,001,721	9,545,860
Accumulated Depreciation and Impairment Losses				
At 1 February 2009/2008	28,236,286	24,173,318	7,673,934	7,171,460
Depreciation for the year	4,459,193	3,990,968	497,660	502,474
Arising from acquisition of subsidiary company	568,815	-	-	-
Write offs	(493,204)	-	-	-
Impairment losses for the year	-	72,000	-	-
At 31 January 2010/2009	32,771,090	28,236,286	8,171,594	7,673,934

6. BIOLOGICAL ASSETS (cont'd)

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Analysed as :				
Accumulated depreciation	32,771,090	27,743,082	8,171,594	7,673,934
Accumulated impairment losses	-	493,204	-	-
	32,771,090	28,236,286	8,171,594	7,673,934
Net Book Value				
At 31 January 2010/2009	71,670,912	65,330,218	1,830,127	1,871,926
Net book value of assets under restriction of title due to bank borrowings	25,473,234	27,362,685	-	-
Included in the addition of biological assets are :				
Depreciation and amortisation **(Note 4 and 5)**	197,208	309,067	-	-
Interest **(Note 31)**	66,704	205,156	-	-
Staff costs **(Note 33)**	117,782	171,805	-	-
Lease rental **(Note 40)**	72,000	72,000	-	-

7. SUBSIDIARY COMPANIES

Company

	2010 RM	**2009 RM**
a) Investment in subsidiary companies consists of unquoted shares as follows :		
Cost		
At 1 February 2009/2008	46,136,730	45,636,732
Addition	3,950,000	499,998
At 31 January 2010/2009	50,086,730	46,136,730
Accumulated impairment loss		
At 1 February 2009/2008	1,461,829	-
Impairment loss for the year	-	1,461,829
At 31 January 2010/2009	1,461,829	1,461,829
Net Book Value	48,624,901	44,674,901

7. SUBSIDIARY COMPANIES (cont'd)

b) The subsidiary companies which are all incorporated in Malaysia are as follows :

Name of subsidiary company	Group's effective equity interest 2010 %	2009 %	Principal activity
Suhenson Estate Sdn. Bhd.	100	100	Dormant
Selokan Sdn. Bhd.	100	100	Dormant
Okidville Corporation Sdn. Bhd.	100	100	Dormant
Lokan Development Sdn. Bhd.	100	100	Dormant
Kim Loong - KPD Plantations Sdn. Bhd.	70	70	Cultivation of oil palm
Tyeco Corporation Sdn. Bhd.	100	100	Trading agent
Winsome Plantations Sdn. Bhd.	100	100	Dormant
Desa Kim Loong Industries Sdn. Bhd.	70	70	Manufacturing of concrete culvert and building construction
Kim Loong Sabah Mills Sdn. Bhd.	100	100	Processing and marketing of oil palm products
Kim Loong Power Sdn. Bhd.	100	100	Bio-gas and power generation activities
Okidville Plantations Sdn. Bhd.	90	90	Dormant
Winsome Sarawak Plantations Sdn. Bhd.	100	100	Dormant
Kim Loong Corporation Sdn. Bhd.	100	100	Investment holding
Winsome Pelita (Pantu) Sdn. Bhd. (formerly known as Tetangga Akrab Pelita (Pantu) Sdn. Bhd.) #	60	N/A	Cultivation of oil palm
Okidville Holdings Sdn. Bhd.	100	100	Cultivation of oil palm and investment holding
Desa Okidville Sdn. Bhd.	51	51	Cultivation of oil palm
Desa Kim Loong Palm Oil Sdn. Bhd.	70	70	Processing and marketing of oil palm products
Kim Loong Technologies (Sabah) Sdn. Bhd.	70	70	Intended for extracting residual oil from wet palm fibre and converting palm fibre into better quality fibre
Kim Loong Palm Oil Sdn. Bhd.	100	100	Trading of fresh fruit bunches and investment holding
Kim Loong Palm Oil Mills Sdn. Bhd.	100	100	Processing and marketing of oil palm products
Sungkit Enterprise Sdn. Bhd.	100	100	Processing and trading of palm kernel products
Kim Loong Evergrow Sdn. Bhd.	60	60	Manufacturing of bio-fertilizers
Winsome Yields Sdn. Bhd.	90	90	Investment holding
Winsome Al-Yatama Sdn. Bhd.	61	61	Cultivation of oil palm
Winsome Jaya Sdn. Bhd.	100	100	Dormant
Palm Nutraceuticals Sdn. Bhd.	70	70	Manufacturing of health supplements and food ingredients
Kim Loong Technologies Sdn. Bhd.	100	100	Extracting residual oil from wet palm fibre and converting palm fibre into better quality fibre
Okidville Jaya Sdn. Bhd.	90	90	Investment holding
Sepulut Plantations Sdn. Bhd.	90	90	Dormant

audited by a firm other than SKW Associates

8. QUOTED INVESTMENTS

Group

	2010 RM	2009 RM
Securities quoted in Malaysia, at cost	362,081	362,081
Less : diminution in value	(320,581)	(349,581)
	41,500	12,500
Market value of securities - quoted in Malaysia	41,500	12,500

9. INTANGIBLE ASSETS

Group

	2010 RM	2009 RM
Brought forward	1,452,590	1,532,447
Incurred during the year	1,677,703	1,452,590
Less: Written off during the year	-	(1,532,447)
Carried forward	3,130,293	1,452,590

As commercial production has not commenced, no amortisation or impairment loss are provided.

Intangible assets represent expenditure on the development of health and food supplements from palm oil.

Included in development expenditure incurred during the year are depreciation and staff cost capitalised of RM764,918 (2009 : RM739,663) **(Note 4)** and RM554,989 (2009 : RM544,812) **(Note 33)** respectively.

10. INVENTORIES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At cost :				
Raw materials	386,281	233,662	-	-
Work-in progress	26,620	5,566	-	-
Finished goods	16,462,308	4,997,389	-	-
Nursery stocks	-	14,933	-	5,683
Building materials, supplies, spare parts and consumables	6,498,503	6,141,470	613,946	671,121
	23,373,712	11,393,020	613,946	676,804
At realisable value :				
Finished goods	9,595,450	12,894,239	34,550	265,956
	9,595,450	12,894,239	34,550	265,956
Total	32,969,162	24,287,259	648,496	942,760

10. INVENTORIES (cont'd)

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Recognised in income statements :				
Inventories recognised as cost of sales	353,563,813	383,834,868	11,818,772	13,427,096
Write-down to net realisable value	71,236	256,717	3,728	39,477
Reversal of write-downs	(167,822)	(1,020)	-	-

The write-down and reversal are included in cost of sales.

11. AMOUNT DUE FROM CUSTOMERS ON CONTRACTS

Group

	2010 RM	2009 RM
Contract in progress		
- accumulated contract cost	15,633	-
- recognised profits less recognised losses	-	-
	15,633	-
Less : Progress billings	-	-
	15,633	-

There is no amount due to customers on contracts for the financial year 2010 and 2009.

Contract in progress included the following item incurred during the financial year :

	2010 RM	2009 RM
Staff costs **(Note 33)**	12,049	-

12. TRADE RECEIVABLES

Group and Company

Normal credit terms of trade receivables are less than 60 days.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Other receivables	4,115,545	2,070,582	2,390,867	852,005
Deposits and prepayments	7,927,933	4,470,453	1,506,913	407,395
	12,043,478	6,541,035	3,897,780	1,259,400

14. AMOUNT OWING BY/TO SUBSIDIARY COMPANIES

Company

Included in the amount owing by subsidiary companies, RM1,584,633 (2009 : RM241,094) is trade in nature and with credit terms of less than 60 days.

Included in the amount owing by subsidiary companies are RM22,884,997 (2009 : RM34,623,355) which bear effective interest of 6.55% (2009 : 7.71%) per annum. All other balances are non-interest bearing. The amounts owing by/to subsidiary companies are unsecured and repayable on demand.

15. AMOUNTS OWING BY/TO RELATED COMPANIES

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Amount owing by related companies				
- Trade in nature	80,641	62,480	4,560	4,560
- Non-trade	254,274	427,535	4,000	-
	334,915	490,015	8,560	4,560
Amount owing to related companies				
- Trade in nature	145,484	245,166	-	-
- Non-trade	-	120,000	-	-
	145,484	365,166	-	-

Group and Company

The amounts owing by/to related companies, which are trade in nature, are with credit term of less than 60 days.

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

Related companies refer to fellow subsidiary companies of the holding company.

16. BANK AND CASH BALANCES

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Balance at banks and cash in hand	36,160,873	9,059,075	21,980,656	2,266,997
Deposits with licensed banks	54,411,318	61,561,317	38,200,000	42,350,000
Short term deposits with other financial institution	3,954,707	5,758,840	104,284	768,945
	94,526,898	76,379,232	60,284,940	45,385,942

An arrangement has been made with a licensed bank whereby certain bank balances can earn interest of 1.50% per annum on a daily rest basis. As at balance sheet date, bank balances under this arrangement amounted to RM29,538,896 (2009 : Nil) for the Group and RM21,074,434 (2009 : Nil) for the Company.

16. BANK AND CASH BALANCES (cont'd)

The weighted average interest rates for deposits that were effective during the financial year were :

	Group		Company	
	2010 % p.a	**2009 % p.a**	**2010 % p.a**	**2009 % p.a**
Deposits with licensed banks	2.14	3.28	2.14	3.29
Short term deposits with other financial institution	1.06	2.85	1.09	2.96

Group

Included in the deposits with licensed banks is an amount of RM411,318 (2009 : RM411,307) pledged to licensed banks as security for overdraft and banker's guarantee facilities.

Deposits with licenced banks have an average maturity of 30 days (2009 : 26 days) from the end of the financial year.

Company

Deposits with licenced banks have an average maturity of 20 days (2009 : 22 days) from the end of the financial year.

17. SHARE CAPITAL

Group and Company

	2010 RM	**2009 RM**
Authorised -		
500,000,000 ordinary shares of RM1 each	500,000,000	500,000,000
Issued and fully paid -		
304,237,352 ordinary shares of RM1 each		
Balance brought forward	302,252,972	209,956,695
Issued during the year pursuant to :		
- exercise of ESOS	851,900	1,238,700
- exercise of Warrants	1,132,480	4,809,941
- Bonus issue	-	86,247,636
	1,984,380	92,296,277
Balance carried forward	304,237,352	302,252,972

17. SHARE CAPITAL (cont'd)

Employees' Share Option Scheme ("ESOS")

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

		Number of Share Options Movement during the year					
	Outstanding at 1 February	**Granted**	**Exercised**	**Forfeited**	**Adjustment pursuant to Bonus Issue**	**Outstanding at 31 January**	**Exercisable at 31 January**
2010							
2005 Options	991,300	-	(585,300)	(113,900)	-	292,100	292,100
2006 Options	55,300	-	(35,400)	-	-	19,900	19,900
2007 Options	502,900	-	(179,200)	(8,500)	-	315,200	315,200
2008 Options	1,258,700	-	-	(100,300)	-	1,158,400	1,158,400
2009 Options	-	935,900	(52,000)	(92,200)	-	791,700	447,700
	2,808,200	935,900	(851,900)	(314,900)	-	2,577,300	2,233,300
WAEP	1.60	1.75	1.09	1.63	-	1.82	1.84
2009							
2005 Options	1,600,900	-	(875,400)	(17,900)	283,700	991,300	83,800
2006 Options	186,000	-	(143,000)	(4,900)	17,200	55,300	25,900
2007 Options	495,600	-	(105,300)	(39,900)	152,500	502,900	228,800
2008 Options	-	1,098,400	(115,000)	(99,200)	374,500	1,258,700	690,900
	2,282,500	1,098,400	(1,238,700)	(161,900)	827,900	2,808,200	1,029,400
WAEP	1.26	3.18	1.38	2.13	-	1.60	1.89

(i) Details of share options outstanding at the end of the year

	Exercise price		Exercisable Period
	Original RM	**Adjusted after Bonus Issue RM**	
2010			
2005 Options	1.14	1.00	21/3/2005 - 17/3/2015
2006 Options	1.22	1.00	29/3/2006 - 17/3/2015
2007 Options	1.67	1.19	29/3/2007 - 17/3/2015
2008 Options	3.18	2.27	27/3/2008 - 17/3/2015
2009 Options	1.75	N/A	30/3/2009 - 17/3/2015
2009			
2005 Options	1.14	1.00	21/3/2005 - 17/3/2015
2006 Options	1.22	1.00	29/3/2006 - 17/3/2015
2007 Options	1.67	1.19	29/3/2007 - 17/3/2015
2008 Options	3.18	2.27	27/3/2008 - 17/3/2015

Note: The exercisable period of share options outstanding at the end of the year is subject to the By-law terms and conditions as disclosed in the Directors' Report.

(ii) Share options exercised during the year :

Share options exercised during the financial year resulted in the issuance of 851,900 (2009 : 1,238,700) ordinary shares at an average price of RM1.09 (2009 : RM1.38) each. The related weighted average share price at the date of exercise was RM1.94 (2009 : RM3.51).

17. SHARE CAPITAL (cont'd)

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

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

The fair value of share options granted during the year was estimated using Black Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows :

	2010	**2009**
Fair value of share options at the following grant dates (RM) :		
30 March 2009	0.354	-
27 March 2008	-	0.597
Weighted average share price (RM)	1.74	3.31
Weighted average exercise price (RM)	1.75	3.18
Expected volatility (%)	42.27	38.75
Expected life (years)	5.91	1.61
Risk-free rate (%)	3.45	3.42
Expected dividend yield (%)	7.47	5.44

The expected life of the options is based on historical date and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options granted were incorporated into the measurement of fair value.

Warrants 2005/2012

The main features of the Warrants are as follows :

(a) Each warrant will entitle its registered holder during the exercise period to subscribe for one new ordinary share at the exercise price, which has been fixed at RM1.00 per share, subject to adjustment in accordance with the provisions of the Deed Poll.

(b) The Warrants may be exercised at any time on or after 22 April 2007 until the end of the tenure of the Warrants. The tenure of the Warrants is for a period of seven (7) years. The Warrants not exercised during the exercise period shall thereafter lapse and become void.

(c) The new ordinary shares of RM1 each allotted pursuant to the exercise of the Warrants shall upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, except that they shall not be entitled to any dividends that may be declared in respect of the financial year prior to the date of allotment and issue of the new shares, nor shall they be entitled to any rights, allotments, distributions or such entitlements for which the record date is prior to the date of allotment and issue of the new shares.

For the purpose hereof, record date means the date on which as at the close of business the shareholders or debenture holders of the Company must be registered in the register of members or Record of Depositors or the relevant register of debenture holders (as the case may be) in order to participate in such dividends, rights, allotments or other distributions.

Warrants exercised during the financial year resulted in 1,132,480 (2009 : 4,809,941) new ordinary shares being issued at RM1.00 each. The weighted average share price at the time of exercise was RM1.95 (2009 : RM3.56) per share.

The number of Warrants unexercised as at balance sheet date was 3,176,467 (2009 : 4,308,947).

18. RESERVES

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Non-distributable				
Share premium **(Note 19)**	787,441	623,425	787,441	623,425
Revaluation reserve **(Note 20)**	43,695,297	44,520,967	14,496,013	14,700,001
Option reserve **(Note 21)**	159,980	217,889	159,980	217,889
Distributable				
Retained profits **(Note 22)**	73,089,871	43,482,577	19,932,817	9,467,687
	117,732,589	88,844,858	35,376,251	25,009,002

19. SHARE PREMIUM (NON-DISTRIBUTABLE)

Group and Company

	2010 RM	**2009 RM**
Balance brought forward	623,425	36,263,053
Arising from :		
a) Issuance of shares arising from ESOS	73,048	475,267
b) Capitalisation pursuant to Bonus Issue	-	(36,263,053)
c) Transfer from option reserve arising from exercise of ESOS	105,143	193,326
Less: Expenses in relation to issuance of shares	(14,175)	(45,168)
Balance carried forward	787,441	623,425

20. REVALUATION RESERVE (NON-DISTRIBUTABLE)

Group and Company

The revaluation reserve represents the balance of revaluation surplus, net of tax, arising from the revaluation of certain leasehold land less amount capitalised through bonus issue.

21. OPTION RESERVE (NON-DISTRIBUTABLE)

Group and Company

Option reserve relates to the provision for share-based payment expenses. This reserve is transferred to the share premium over the period when the ESOS is exercised.

22. RETAINED PROFITS

Company

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

During the financial year, the Company elected for the irrevocable option to disregard the 108 balance. Accordingly, all dividends shall be paid, credited or distributed under the single tier system.

23. OTHER BORROWINGS

Group

Other borrowings consist of an amount which arose from the acquisition of a long leasehold land and contributory loans from minority shareholders of subsidiary companies. These borrowings are unsecured and interest-free.

	2010 RM	2009 RM
Repayable :		
Within 1 year	850,000	400,000
After 1 year	12,800,967	13,671,774
	13,650,967	14,071,774

Included in the amount repayable after 1 year, RM7,610,000 (2009 : RM7,610,000) is subordinated to the term loan 5 as disclosed in **Note 24** until the term loan is fully repaid.

24. INTEREST BEARING BORROWINGS (SECURED)

Group

	Amount utilised 2010 RM	 2009 RM
Overdrafts	1,674,354	1,100,777
Revolving credit	3,000,000	3,000,000
Term loan 1	-	2,096,000
Term loan 2	-	4,331,000
Term loan 3	27,778	361,112
Term loan 4	416,662	749,998
Term loan 5	30,000,000	20,000,000
Term loan 6	10,000,000	-
	45,118,794	31,638,887
Current	8,371,468	9,315,447
Non-current	36,747,326	22,323,440
	45,118,794	31,638,887

24. INTEREST BEARING BORROWINGS (SECURED) (cont'd)

Group (cont'd)

	Amount utilised 2010 RM	2009 RM
Maturity profile of non-current borrowings		
Amounts payable within :		
More than 1 year and not later than 5 years	34,745,326	22,323,440
More than 5 years	2,002,000	-
	36,747,326	22,323,440

The facilities extended by financial institutions are secured by :

a) a fixed charge over the leasehold land (classified under prepaid land lease payments) of a subsidiary company;
b) fixed and floating charges over all the assets of a subsidiary company;
c) fixed deposits of RM200,000 (2009 : RM200,000) of a subsidiary company;
d) corporate guarantee from the Company;
e) personal guarantee of RM960,000 from a shareholder of a subsidiary company; and
f) personal guarantee of RM480,000 by certain directors of a subsidiary company.

The principal amount of term loan 1 is repayable over 65 monthly instalments of RM152,000 each and a final instalment of RM120,000 commencing from October 2004.

The principal amount of term loan 2 is repayable over 65 monthly instalments of RM227,000 each and a final instalment of RM245,000 commencing from March 2005.

The principal amount of term loan 3 is repayable over 36 monthly instalments of RM27,778 each commencing from March 2007.

The principal amount of term loan 4 is repayable over 35 monthly instalments of RM27,778 each and a final instalment of RM27,770 commencing from May 2008.

The principal amount of term loan 5 is repayable over 53 monthly instalments of RM556,000 each and a final instalment of RM532,000 commencing from August 2010.

The principal amount of term loan 6 is repayable over 53 monthly instalments of RM186,000 each and a final instalment of RM142,000 commencing from July 2011.

Effective interest rates

	2010 % p.a.	2009 % p.a.
Overdrafts	6.56	7.75
Term loans	4.13	5.68
Revolving credit	3.53	4.86

Unutilised facilities

	2010 RM	2009 RM
Revolving credit	500,000	500,000
Trade facilities	3,000,000	3,000,000
Overdrafts	16,335,000	16,908,000
	19,835,000	20,408,000

25. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets :

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Disclosed as :				
Deferred tax liabilities	44,129,470	42,348,191	9,802,878	9,876,678
Deferred tax assets	(3,330,000)	(3,359,000)	-	-
	40,799,470	38,989,191	9,802,878	9,876,678
Brought forward	38,989,191	37,614,185	9,876,678	10,423,178
Charged/(credit) to income statement :				
- biological assets and property, plant and equipment	2,374,400	8,445,000	48,000	(67,000)
- accrued interest income	370,839	(6,000)	-	-
- unabsorbed capital allowances	(322,000)	(4,153,000)	-	-
- unutilised reinvestment allowance	(147,000)	2,549,000	-	-
- unutilised investment tax allowance	362,000	(2,640,000)	-	-
- unused tax losses	615,000	(1,076,000)	-	-
- revaluation of leasehold land	(288,960)	(447,941)	(121,800)	(280,781)
- unrealised profits	(1,154,000)	(632,000)	-	-
	1,810,279	2,039,059	(73,800)	(347,781)
Credited to equity :				
- revaluation of leasehold land	-	(664,053)	-	(198,719)
Carried forward	40,799,470	38,989,191	9,802,878	9,876,678
Subject to income tax				
Deferred tax liabilities (before offsetting)				
Revaluation of leasehold land	21,763,231	22,052,191	8,698,878	8,820,678
Biological assets and property, plant and equipment	35,122,400	32,748,000	1,104,000	1,056,000
Accrued interest income	434,839	64,000	-	-
	57,320,470	54,864,191	9,802,878	9,876,678
Offsetting	(13,191,000)	(12,516,000)	-	-
Deferred tax liabilities(after offsetting)	44,129,470	42,348,191	9,802,878	9,876,678
Deferred tax assets (before offsetting)				
Unabsorbed capital allowances	5,820,000	5,498,000	-	-
Unutilised reinvestment allowance	413,000	266,000	-	-
Unutilised investment tax allowance	2,278,000	2,640,000	-	-
Unused tax losses	5,754,000	6,369,000	-	-
Unrealised profits	2,256,000	1,102,000	-	-
	16,521,000	15,875,000	-	-
Offsetting	(13,191,000)	(12,516,000)	-	-
Deferred tax assets (after offsetting)	3,330,000	3,359,000	-	-

25. DEFERRED TAX (cont'd)

Deferred tax assets are recognised for unused tax losses, unabsorbed capital allowances, unutilised reinvestment allowance and unutilised investment tax allowance carried forward to the extent that realisation of the related tax benefit through the future available profits is probable. The Directors are of the opinion that the particular companies will be able to generate sufficient profits in the foreseeable future to fully utilise the deferred tax assets.

Group

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

	2010 RM	2009 RM
Excess of capital allowances over depreciation	(8,822,000)	(158,000)
Excess of depreciation over capital allowances	2,024,000	1,223,000
Unabsorbed capital allowances	8,442,000	509,000
Unutilised reinvestment allowance	248,000	262,000
Unused tax losses	6,403,000	862,000
	8,295,000	2,698,000

26. TRADE AND OTHER PAYABLES

Group and Company

Normal credit terms of trade and other payables are less than 60 days.

27. AMOUNT OWING BY/TO HOLDING COMPANY

Group

The amount owing by holding company is unsecured, interest-free and with no fixed terms of repayment.

Group and Company

The amount owing to holding company is trade in nature and with credit terms of less than 60 days.

28. REVENUE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Sales of :				
- Fresh fruit bunches	9,534,319	59,200,329	22,862,354	32,388,943
- Palm oil milling products	441,555,380	447,717,134	-	-
- Cocoa and others	443,546	167,121	438,261	144,197
	451,533,245	507,084,584	23,300,615	32,533,140

29. COST OF SALES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Fresh fruit bunches	4,926,372	21,205,998	11,301,063	13,062,442
Palm oil milling products	348,100,040	362,246,550	-	-
Cocoa and others	537,401	382,320	517,709	364,654
	353,563,813	383,834,868	11,818,772	13,427,096

30. OTHER INCOME

Company

Other income for the current financial year includes gross dividend from subsidiary companies amounting to RM20,655,000 (2009 : RM63,041,455).

31. FINANCE COSTS

Group

	2010 RM	2009 RM
Total interest expense on bank borrowings	1,426,041	865,460
Interest capitalised to biological assets **(Note 6)**	(66,704)	(205,156)
Charged to income statement	1,359,337	660,304

32. PROFIT BEFORE TAX

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
The following items have been charged/(credited) in arriving at profit before tax :				
Auditors' remuneration :				
Statutory audit - current year	144,400	126,900	25,000	24,000
- under provision in prior years	7,800	4,800	1,000	1,000
Depreciation and amortisation :				
- property, plant and equipment	12,222,672	9,072,707	398,833	425,157
- prepaid land lease payments	2,298,777	2,152,301	884,076	884,076
- biological assets	4,459,193	3,990,968	497,660	502,474
Bad debts	63,963	1,808	-	-
Rental of premises	256,602	198,486	190,392	137,326
Property, plant and equipment written off	690,659	181,046	39,456	4,647
Biological assets written off	84,600	-	-	-
Goodwill on consolidation written off	368,226	-	-	-
Inventories written off	8,258	11,697	800	10,332
(Reversal of)/allowance for diminution in value of quoted securities	(29,000)	43,000	-	-
Impairment loss of biological assets	-	72,000	-	-
Impairment of investment in subsidiaries	-	-	-	1,461,829
Development expenditure written off	-	1,532,447	-	-
Staff costs **(Note 33)**	27,793,214	25,572,204	6,931,774	6,511,566
(Gain)/loss on disposal of property, plant and equipment	(81,947)	(787,350)	385	(29,810)
Rental income	(67,800)	(35,210)	-	-
Gross dividend income from subsidiary companies	-	-	(20,655,000)	(63,041,455)
Interest income from :				
- deposits	(1,745,591)	(2,418,719)	(1,110,252)	(1,734,289)
- subsidiaries	-	-	(2,039,344)	(1,858,178)
- others	(71,760)	(71,760)	(71,760)	(71,760)

33. STAFF COSTS

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Salaries, wages and bonuses	26,638,582	24,376,047	6,419,243	5,689,667
Defined contribution plan	1,604,242	1,433,785	450,113	396,484
Social security costs	152,136	140,380	15,184	14,200
HRD fund	25,310	38,879	-	-
Retrenchment benefit	10,530	-	-	-
Share options granted under ESOS	47,234	411,215	47,234	411,215
	28,478,034	26,400,306	6,931,774	6,511,566
Amount capitalised in property, plant and equipment **(Note 4)**	-	(111,485)	-	-
Amount capitalised in biological assets **(Note 6)**	(117,782)	(171,805)	-	-
Amount capitalised in development expenditure **(Note 9)**	(554,989)	(544,812)	-	-
Amount capitalised in cost of construction contract **(Note 11)**	(12,049)	-	-	-
	27,793,214	25,572,204	6,931,774	6,511,566

Included in staff costs of the Group and of the Company are Executive Directors' remuneration amounting to RM1,663,922 (2009 : RM1,641,475) and RM1,539,922 (2009 : RM1,525,395) respectively as further disclosed in **Note 34**.

34. DIRECTORS' REMUNERATION

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Executive Directors				
- fees - current	133,000	125,500	23,000	25,500
- prior year overprovision	-	(12,500)	-	-
- salaries and other emoluments	1,358,500	1,315,400	1,344,500	1,288,500
- defined contribution plan	160,140	147,360	160,140	145,680
- share options granted under ESOS	12,282	65,715	12,282	65,715
	1,663,922	1,641,475	1,539,922	1,525,395
- estimated monetary value of benefits-in-kind	13,325	13,325	13,325	13,325
	1,677,247	1,654,800	1,553,247	1,538,720
Non-executive Directors				
- fees	140,000	140,000	140,000	140,000
- other emoluments	7,000	6,000	7,000	6,000
	147,000	146,000	147,000	146,000
	1,824,247	1,800,800	1,700,247	1,684,720

35. TAX EXPENSE

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Current tax				
- Malaysian income tax	18,146,101	20,781,912	3,609,257	5,134,878
- Real Property Gains Tax (RPGT)	(26,094)	-	-	-
Deferred tax	1,810,279	2,039,059	(73,800)	(347,781)
	19,930,286	22,820,971	3,535,457	4,787,097
Current Malaysian tax				
Current year	18,111,000	21,250,000	3,510,000	5,101,000
Under/(over) provision in prior years (net)	35,101	(468,088)	99,257	33,878
Real Property Gains Tax (RPGT) - over provision in prior year	(26,094)	-	-	-
Deferred tax				
Origination/(reversal) of temporary differences	1,482,739	2,670,450	39,000	(22,000)
Realisation of revaluation surplus on land	(288,960)	(288,960)	(121,800)	(121,800)
Under/(over) provision in prior years (net)	616,500	266,019	9,000	(160,981)
Reduction in tax rate	-	(608,450)	-	(43,000)
	19,930,286	22,820,971	3,535,457	4,787,097

The explanation of the relationship between tax expense and profit before tax is as follows :

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Numerical reconciliation between tax expense and the result before tax multiplied by the applicable Malaysian tax rate				
Profit before tax	79,455,202	104,383,806	33,152,520	80,816,995
Tax calculated at a Malaysia tax rate of 25%	19,863,801	26,095,951	8,288,130	20,204,249
Tax effects of :				
- pre-acquisition interest income	434,839	-	-	-
- expenses not deductible for tax purposes	1,101,777	1,515,954	309,814	777,187
- income not subject to tax	(254,820)	(575,583)	(5,170,744)	(16,024,236)
- deferred tax assets not recognised on :				
a) current year's tax loss of subsidiaries	39,503	409	-	-
b) current year's deductible temporary differences	13,674	18,971	-	-
- double deductions	(21,423)	(22,989)	-	-
- reinvestment allowance	(1,663,572)	(753,808)	-	-
- investment tax allowance	(209,000)	(2,640,000)	-	-
- utilisation of previously unrecognised deferred tax assets	-	(7,415)	-	-
Reduction in tax rate	-	(608,450)	-	(43,000)
Under/(over) provision of income tax in prior years (net)	35,101	(468,088)	99,257	33,878
Under/(over) provision of deferred tax in prior years (net)	616,500	266,019	9,000	(160,981)
Over provision of RPGT in prior year	(26,094)	-	-	-
Tax expense	19,930,286	22,820,971	3,535,457	4,787,097

35. TAX EXPENSE (cont'd)

Group

Tax savings during the financial year arising from utilisation of previously unrecognised tax losses is RM70,257 (2009 : RM3,860).

Domestic current income tax is calculated at the statutory tax rate of 25% (2009 : 25%) of the estimated assessable profit for the year.

36. EARNINGS PER SHARE

Group

Earnings per share for the Group is calculated based on profit after tax and minority interests of RM48,137,545 (2009 : RM65,375,115) over the weighted average number of ordinary shares in issue during the financial year of 303,271,000 (2009 : 300,520,321).

Diluted earnings per share for the Group for the financial year ended 31 January 2010 is calculated based on profit after tax and minority interests of RM48,137,545 (2009 : RM65,375,115) over the adjusted weighted average number of shares of 305,046,000 (2009 : 303,440,987).

The adjusted weighted average number of shares is calculated based on the weighted average number of ordinary shares in issue during the financial year and adjusted for the following :

1) the number of ordinary shares that could have been issued under the Company's ESOS; and

2) 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 earnings per share.

The diluted earnings per share for financial year ended 31 January 2010 is calculated as follows :

	2010 RM	**2009 RM**
Net profit attributable to equity holders of the Company	48,137,545	65,375,115
Weighted average number of ordinary shares in issue	303,271,000	300,520,321
Impact on shares under option that would have been issued at fair value :		
- ESOS	219,000	634,699
- Warrants	1,556,000	2,285,967
	305,046,000	303,440,987
Diluted earnings per share (sen)	15.8	21.5

37. DIVIDENDS

Company

Dividends declared or proposed in respect of the financial year ended 31 January 2010 are as follows :

	Dividends in respect of year		Dividends recognised in year	
	2010	2009	2010	2009
	RM	RM	RM	RM
Dividends recognised :				
Financial year 2008 :				
Final : 5 sen per share less 25% tax	-	-	-	7,969,462
Financial year 2009 :				
Special : 23 sen per share less 25% tax	-	37,022,386	-	37,022,386
Interim : 10 sen per share less 25% tax	-	22,659,290	-	22,659,290
Final : 2.5 sen per share less 25% tax	-	5,679,596	5,679,596	-
0.5 sen per share tax exempt	-	1,514,559	1,514,559	-
Financial year 2010 :				
Interim : 4 sen per share single tier tax exempt	12,161,766	-	12,161,766	-
Dividends proposed for approval at AGM (not recognised as at 31 January):				
Financial year 2010 :				
Final : 6 sen per share single tier tax exempt	18,254,241	-	-	-
	30,416,007	66,875,831	19,355,921	67,651,138

At the forthcoming Annual General Meeting ("AGM"), a final dividend of 6 sen per share single tier tax exempt (2009 : 3 sen per share which comprise of 2.5 sen less tax and 0.5 sen tax exempt) will be proposed for shareholders' approval. These financial statements do not reflect the final dividend which will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 January 2011 when approved by shareholders. The proposed final dividend of RM18,254,241 is subject to change in proportion to changes in the Company's paid-up capital, if any.

38. TRANSFER OF RESERVES

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Realisation of revaluation surplus on leasehold land, net of tax, arising from :				
- excess of amortisation based on revalued leasehold land over their original costs	825,670	825,670	203,988	203,988
	825,670	825,670	203,988	203,988

39. SIGNIFICANT RELATED PARTY DISCLOSURES

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows :

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
With holding company :				
Professional services	195,500	178,000	42,000	42,000
With subsidiary companies :				
Management fee income	-	-	1,329,195	1,213,647
Commission income	-	-	699,605	733,058
Purchase of plant and equipment	-	-	65,000	-
Sale of plant and equipment	-	-	24,190	-
Interest income	-	-	2,039,344	1,858,178
Sale of goods	-	-	15,166,714	-
Purchase of goods	-	-	925	-
With fellow subsidiary companies of the holding company :				
Management fee income	54,720	31,920	54,720	31,920
Purchase of plant and equipment	-	120,000	-	-
Purchase of goods	3,761,901	5,350,798	3,546	648
Rental expenses	6,000	6,000	-	-
Sale of goods	259,614	113,377	-	-

The transactions have been entered into in the normal course of business and on arm's length negotiated terms.

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Short term employee benefits	2,283,533	2,187,064	1,687,900	1,630,400
Defined contribution plan	256,153	237,492	200,689	183,648
Share options granted under ESOS	28,600	108,030	18,251	70,690
	2,568,286	2,532,586	1,906,840	1,884,738

Included in the total remuneration of key management personnel are :

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive Directors' remuneration	1,663,922	1,641,475	1,539,922	1,525,395

39. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

Executive directors of the Group and the Company and other members of key management have been granted the following number of share options under the ESOS :

	2010	**2009**
At 1 February 2009/2008	690,000	1,037,200
Granted	-	177,000
Exercised	(395,800)	(633,600)
Bonus Issue	-	232,000
Ceased as key management	-	(122,600)
At 31 January 2010/2009	294,200	690,000

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

40. OPERATING LEASE ARRANGEMENTS

Group

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

	2010 RM	**2009 RM**
Future minimum rental payments :		
Not later than 1 year	72,000	72,000
Later than 1 year and not later than 5 years	288,000	288,000
Later than 5 years	1,254,000	1,326,000
	1,614,000	1,686,000

The lease rental payments during the financial year are capitalised to biological assets as disclosed in **Note 6**.

41. ACQUISITION OF SUBSIDIARY COMPANY

Group

The effect of the acquisition of subsidiary company on the financial results of the Group during the financial year is shown below :

	2010 RM	**2009 RM**
Revenue	28,029	-
Loss before tax	(585,827)	(3,524)
Net loss for the financial year	(1,001,166)	(3,524)

41. ACQUISITION OF SUBSIDIARY COMPANY (cont'd)

The effect of the acquisition of subsidiary companies on the financial position at the end of the financial year is as follows :

	2010 RM	2009 RM
Non-current assets	12,358,052	4,050,856
Current assets	(13,275,661)	(4,017,835)
Current liabilities	(103,057)	(36,543)
Non-current liabilities	19,500	-
Decrease in Group's net assets	(1,001,166)	(3,522)

42. SEGMENTAL INFORMATION

The Group operates solely in Malaysia and is organised into two main business segments :

a) Plantation - cultivation of oil palm and cocoa
b) Milling - processing and marketing of oil palm products

	Plantation RM	Milling RM	Eliminations RM	Group RM
Year ended 31 January 2010				
Revenue				
External sales	9,977,865	441,555,380	-	451,533,245
Intersegment sales	103,707,967	1,433,850	(105,141,817)	-
Total sales	113,685,832	442,989,230	(105,141,817)	451,533,245
Results				
Segment results	52,197,927	32,532,043	(2,193,000)	82,536,970
Unallocated costs				(3,539,782)
Finance income				1,817,351
Finance costs				(1,359,337)
Profit before tax				79,455,202
Tax expense				(19,930,286)
Net profit for the financial year				59,524,916
At 31 January 2010				
Segment assets	433,126,760	217,880,488	(99,813,897)	551,193,351
Unallocated assets				43,426,052
Total assets				594,619,403
Segment liabilities	98,765,931	132,007,282	(99,813,897)	130,959,316
Unallocated liabilities				3,903,078
Total liabilities				134,862,394
Year ended 31 January 2010				
Other information				
Capital expenditure	9,796,287	22,790,182	-	32,586,469
Depreciation and amortisation	9,884,447	10,058,321	-	19,942,768
Other non-cash expenses	708,987	626,237	-	1,335,224

42. SEGMENTAL INFORMATION (cont'd)

	Plantation RM	Milling RM	Eliminations RM	Group RM
Year ended 31 January 2009				
Revenue				
External sales	59,367,450	447,717,134	-	507,084,584
Intersegment sales	85,198,978	-	(85,198,978)	-
Total sales	144,566,428	447,717,134	(85,198,978)	507,084,584
Results				
Segment results	86,381,370	19,367,828	501,000	106,250,198
Unallocated costs				(3,696,567)
Finance income				2,490,479
Finance costs				(660,304)
Profit before tax				104,383,806
Tax expense				(22,820,971)
Net profit for the financial year				81,562,835
At 31 January 2009				
Segment assets	390,166,811	204,486,735	(108,022,396)	486,631,150
Unallocated assets				45,847,818
Total assets				532,478,968
Segment liabilities	78,549,472	139,688,871	(108,022,396)	110,215,947
Unallocated liabilities				3,436,301
Total liabilities				113,652,248
Year ended 31 January 2009				
Other information				
Capital expenditure	12,108,966	50,765,795	-	62,874,761
Depreciation and amortisation	9,031,461	7,233,245	-	16,264,706
Other non-cash expenses	571,427	1,938,504	-	2,509,931

43. CONTINGENT LIABILITIES (UNSECURED)

Group

There are several legal claims made against a subsidiary company, Winsome Pelita (Pantu) Sdn. Bhd. (formerly known as Tetangga Akrab Pelita (Pantu) Sdn. Bhd.), by natives for customary rights to land belonging to the company. Based on the legal opinion and in view of the advice by Land Custody and Development Authority ("LCDA") that the necessary procedures in obtaining the consent from the landowners had been complied with, the Directors of the Company are of the opinion that any other claims by landowners other than those that have been supported and approved by the Tuai Rumah and the Development Committee appointed for that purpose is likely to have no basis. Therefore, no provision for contingent liabilities was made for these legal claims.

Company

The Company provided corporate guarantees for seven (2009 : seven) of its subsidiary companies in respect of credit facilities totalling RM35,270,000 (2009 : RM51,697,000) granted to the subsidiary companies by licensed financial institutions. Accordingly, the Company is contingently liable to the extent of the amount of the credit facilities of RM14,854,156 (2009 : RM 31,087,535) utilised by these subsidiary companies.

44. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses.

(b) Credit risk

Credit risk arises because substantial sales are made on deferred payment terms. Credit risk is controlled by careful selection of customers, setting credit limits and limiting the period of credit. The carrying amount of receivables represents the Group's maximum credit risk exposure. The Group does not have any significant exposure to any individual customer.

(c) Market risk

The Group is exposed to market risk caused by changes in debt and equity prices because of its investment in quoted securities. The risk is not significant as the Group's investment in quoted securities is not significant.

(d) Interest rate risk

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining as far as practical, a mix of fixed and floating rate borrowings.

The Group's other interest rate risk relates to its placement of deposits with financial institutions. The Group's policy is to obtain the most favourable interest rates available.

(e) Liquidity and cash flow risks

The Group seeks to achieve a balance between cash outflows and cash inflows. Financial commitments are monitored so as not to go beyond the Group's ability to repay or finance.

(f) Foreign currency exchange risk

The Group is not materially exposed to foreign exchange risk as the Groups' transactions and balances are denominated in Ringgit Malaysia.

(g) Fair values

The carrying amounts of financial assets and liabilities of the Group and the Company at the balance sheet dates approximated their fair values at these dates except as set out below :

Group

	2010		2009	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Non-current liabilities				
Other borrowings :				
- with fixed terms of repayment	5,150,000	4,145,750	6,000,000	4,532,000
- without fixed terms of repayment	7,650,967	*	7,671,774	*
	12,800,967		13,671,774	

* It is not practical to estimate reliably the fair value of these other borrowings as they have no fixed terms of repayment.

Company

The fair value of the corporate guarantees provided in respect of banking facilities granted to certain subsidiary companies cannot be measured reliably because the corporate guarantees are just another term included in the loan agreement and not for credit enhancement to improve interest rate and there is no active market for the corporate guarantees provided by the Company.

45. CAPITAL EXPENDITURE COMMITMENTS

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Approved and contracted for :				
Property, plant and equipment	12,565,280	17,074,700	-	133,000

46. SIGNIFICANT EVENTS

a) On 21 May 2009, a subsidiary company, Kim Loong Palm Oil Mills Sdn. Bhd. (“KLPOM”), entered into a Joint Venture and Shareholders Agreement (“JV Agreement”) with Prominent Platform Sdn. Bhd. (“PPSB”) for the purpose of undertaking a palm kernel crushing and solvent extraction project to maximise recovery of crude palm kernel oil at the palm oil mill of KLPOM at Kota Tinggi, Johor through a joint venture company called Sungkit Enterprise Sdn. Bhd. (“SESB”).

Currently, SESB is a wholly owned subsidiary of KLPOM. Pursuant to the JV Agreement, KLPOM will transfer 30% of its shareholdings, equivalent to 60,000 shares in SESB at par to PPSB upon fulfillment of terms and conditions.

b) On 6 January 2010, the Company’s wholly owned subsidiary company, Kim Loong Corporation Sdn. Bhd., completed its acquisition of 2,016,000 ordinary shares of RM1.00 each representing 60% equity interests in Tetangga Akrab Pelita (Pantu) Sdn. Bhd. (“TAPPSB”) (currently known as Winsome Pelita (Pantu) Sdn. Bhd.) for a cash consideration of RM25 million which includes the assignment of approximately RM13.3 million of amount owing to the vendor by TAPPSB.

47. PRIOR YEAR ADJUSTMENTS

Company

During the financial year, the Group changed its accounting policy from revaluing its investment in subsidiary companies based on valuation of land in subsidiary companies on a regular basis at least once in every five years to recognising the carrying amount of its investment in subsidiary companies based on cost incurred. The change in policy is to comply with FRS 127 Consolidated and Separate Financial Statements.

The change in accounting policy results in reversal of RM28,685,506 and RM15,143,860 from revaluation reserve and retained profits respectively. Reversal from retained profits is due to that portion of revaluation surplus which had been capitalised as share capital previously.

The financial impact of the change in accounting policy (which has been accounted for retrospectively) is tabulated below :

	As previously stated RM	Change in accounting policy RM	As Restated RM
As at 1 February 2008			
Investment in subsidiary companies	89,466,098	(43,829,366)	45,636,732
Revaluation reserve	43,390,776	(28,685,506)	14,705,270
Retained profits	66,013,382	(15,143,860)	50,869,522
As at 31 January 2009			
Investment in subsidiary companies	72,736,668	(28,061,767)	44,674,901
Revaluation reserve	27,617,908	(12,917,907)	14,700,001
Retained profits	24,611,547	(15,143,860)	9,467,687

48. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 24 May 2010.

Analysis of Shareholdings

as at 15 June 2010

Authorised Share	:	Capital RM500,000,000
Issued and Fully Paid Up Capital	:	RM304,481,212
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	1 vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

(As per Record of Depositors)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 100 shares	49	1.16	1,606	0.00
100 to 1,000 shares	311	7.35	222,542	0.07
1,001 to 10,000 shares	2,930	69.25	11,137,548	3.66
10,001 to 100,000 shares	812	19.19	24,208,072	7.95
100,001 to less than 5% of shares	128	3.03	72,970,839	23.97
5% and above of shares	1	0.02	195,940,605	64.35
Total	4,231	100.00	304,481,212	100.00

THIRTY LARGEST SHAREHOLDERS

(As per Record of Depositors)

Name of Shareholders	No. of Shares held	% of Issued capital
1. Sharikat Kim Loong Sendirian Berhad	195,940,605	64.35
2. AllianceGroup Nominees (Tempatan) Sdn. Bhd. –Pheim Asset Management Sdn. Bhd. For Employees Provident Fund	9,073,020	2.98
3. HSBC Nominees (Asing) Sdn. Bhd. –Krishnan Chellam (HBMB301-26)	5,342,400	1.75
4. Timbas Helmi Bin Oesman Joesoef Helmi	3,663,800	1.20
5. HSBC Nominees (Asing) Sdn. Bhd. –Exempt An For JPMorgan Chase Bank, National Association (Norges Bank Lend)	3,613,100	1.19
6. Koperasi Polis DiRaja Malaysia Berhad	2,800,000	0.92
7. Teo Chuan Keng Sdn. Bhd.	2,565,900	0.84
8. ECML Nominees (Tempatan) Sdn. Bhd. –ECM Libra Foundation	2,404,882	0.79
9. Neoh Choo Ee & Company, Sdn. Berhad	1,698,198	0.56
10. Khoo Heng Suan	1,563,660	0.51
11. HSBC Nominees (Tempatan) Sdn. Bhd. –HSBC (M) Trustee Bhd For OSK-UOB Small Cap Opportunity Unit Trust (3548)	1,325,320	0.44
12. Prudent Strength Sdn. Bhd.	1,230,600	0.41
13. Gooi Seow Mee	1,203,552	0.40
14. Citigroup Nominees (Tempatan) Sdn. Bhd. –Exempt An For OCBC Securities Private Limited (Client A/C-RES)	1,089,999	0.36
15. Herng Yuen Sdn. Bhd.	1,086,400	0.36
16. Ang Chai Eng	1,046,000	0.34
17. Kumpulan Wang Simpanan Guru-guru	1,000,000	0.33
18. Gooi Seong Chneh	970,360	0.32
19. Lim Ah Choo	950,000	0.31
20. Gan Tee Jin	945,000	0.31
21. Amsec Nominees (Tempatan) Sdn. Bhd. –AmTrustee Berhad for Apex Dana Al-Sofi-I (Ut-Apex-Sofi)	879,940	0.29
22. Radeshah binti Ridzwani	835,800	0.27
23. Golden Fresh Sdn. Bhd.	800,000	0.26
24. Lim Khuan Eng	735,300	0.24
25. HSBC Nominees (Tempatan) Sdn. Bhd. –HSBC (M) Trustee Bhd for OSK-UOB Growth and Income Focus Trust (4892)	725,040	0.24
26. Chellam Investments Sdn. Berhad	700,000	0.23

Analysis of Shareholdings
as at 15 June 2010

Name of Shareholders	No. of Shares held	% of Issued capital
27. Yayasan Kelantan Darulnaim	700,000	0.23
28. ECML Nominees (Tempatan) Sdn. Bhd. –UOB Kay Hian Pte Ltd For Gooi Seong Heen (Margin)	615,552	0.20
29. Gooi Seong Chneh	615,552	0.20
30. HDM Nominees (Tempatan) Sdn. Bhd. –UOB Kay Hian Pte Ltd For Gooi Seong Lim (Margin)	615,552	0.20
Total	246,735,532	81.03

The thirty largest shareholders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the shares from different securities accounts belonging to the same depositor)

SUBSTANTIAL SHAREHOLDERS (excluding bare trustees).
(As per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of shares held or beneficially interested in		% of Issued capital	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	196,556,157	8,960 [(a)]	64.55	0.00
Gooi Seong Lim	1,091,552 [(b)]	199,099,516 [(c)]	0.36	65.39
Gooi Seong Heen	1,724,312 [(d)]	197,763,517 [(e)]	0.57	64.95
Gooi Seong Chneh	1,613,912	197,763,517 [(e)]	0.53	64.95
Gooi Seong Gum	–	197,819,51 [(e)]	–	64.97

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

Name of Directors	Direct Interest Shareholdings	%	Indirect Interest Shareholdings	%
Gooi Seong Lim	1,091,552 [(b)]	0.36	199,099,516 [(c)]	65.39
Gooi Seong Heen	1,724,312 [(d)]	0.57	197,763,517 [(e)]	64.95
Gooi Seong Chneh	1,613,912	0.53	197,763,517 [(e)]	64.95
Gooi Seong Gum	–	–	197,819,517 [(e)]	64.97
Gan Kim Guan	–	–	–	–
Teoh Cheng Hai	–	–	–	–
Chew Poh Soon	–	–	–	–

Note:-

[(a)] *Deemed interest through Kim Loong Plantations Sdn. Bhd. ("KLP").*
[(b)] *615,552 and 476,000 shares held in bare trust by HDM Nominees (T) Sdn. Bhd. and Kenanga Nominees (T) Sdn. Bhd. respectively.*
[(c)] *Deemed interests by virtue of his interest in Sharikat Kim Loong Sendirian Berhad ("SKL") , Herng Yuen Sdn. Bhd. ("HY") , KLP and shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte Ltd. of which Gooi Seong Lim is a director and major shareholder and his spouse's shareholding.*
[(d)] *Includes 615,552, 280,000 and 492,760 shares held in bare trust by ECML Nominees (Tempatan) Sdn. Bhd.,Citigroup Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.*
[(e)] *Deemed interests by virtue of their interests in SKL, HY , KLP and their respective spouses' shareholdings.*

Analysis of Warrant Holdings

as at 15 June 2010

No. of Warrants 2005/2012 issued	:	44,041,483
Exercise Price	:	RM1.00 for one ordinary share of RM1.00 each.
Exercise Rights	:	Each warrant entitles the holder to subscribe for one new ordinary share of RM1.00 each.
Exercise Period	:	22 April 2007 to 22 April 2012
No. of Warrants exercised	:	40,924,376
No. of Warrants unexercised	:	3,117,107

DISTRIBUTION OF WARRANT HOLDINGS

(As per Record of Depositors)

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
Less than 100 warrants	70	14.77	4,314	0.14
100 to 1,000 warrants	126	26.58	81,198	2.61
1,001 to 10,000 warrants	216	45.57	788,458	25.29
10,001 to 100,000 warrants	60	12.66	1,534,530	49.23
100,001 to less than 5% of warrants	1	0.21	103,540	3.32
5% and above of warrants	1	0.21	605,067	19.41
Total	474	100.00	3,117,107	100.00

THIRTY LARGEST WARRANT HOLDERS

(As per Record of Depositors)

Name of Warrant Holders	No. of Warrants Held	% of Warrants
1. ECML Nominees (Tempatan) Sdn. Bhd. –ECM Libra Foundation	605,067	19.41
2. Mayban Nominees (Tempatan) Sdn. Bhd. –Avenue Invest Berhad For Kumpulan Wang Simpanan Pekerja (Skim P. Ahli 2)	103,540	3.32
3. Quek Siow Leng	84,000	2.69
4. Victor Lim Fung Tuang	78,000	2.50
5. Sam Fong @ Chan Sam Fong	75,000	2.41
6. Dato' Teo Soo Cheng	61,040	1.96
7. HDM Nominees (Tempatan) Sdn. Bhd. –UOB Kay Hian Pte Ltd for Chen Joon Lee	60,000	1.92
8. Mayban Nominees (Tempatan) Sdn. Bhd. –Pledged Securities Account for Chee Kah Khuin	48,280	1.55
9. Timbas Helmi bin Oesman Joesoef Helmi	46,666	1.50
10. Goh Tai Meng	44,540	1.43
11. Eng Watt Ya @ Eng Watt Ying	42,000	1.35
12. Ng Swee Huat	40,800	1.31
13. Mah Siew Keong	40,000	1.28
14. Segmen Juta Sdn. Bhd.	38,700	1.24
15. How Li Min	38,080	1.22
16. Sheik Sharufuddin bin Sheik Mohd	35,000	1.12
17. Christina Loh Yoke Lin	30,000	0.96
18. Chin Kiam Hsung	29,400	0.94
19. Chin Kian Fong	28,000	0.90
20. Lee Pei Hoon @ Lee Poh	28,000	0.90
21. Lee Pei Hoon @ Lee Poh	28,000	0.90
22. Mayban Nominees (Tempatan) Sdn. Bhd. –Pledged Securities Account for Chen Siew Yoke	26,800	0.86
23. Loh Kam Thye	25,200	0.81
24. Phoa Kia Heng	25,200	0.81
25. HDM Nominees (Tempatan) Sdn. Bhd. –Pledged Securities Account for Rosalind Singha Ang (M01)	24,000	0.77

Analysis of Warrant Holdings
as at 15 June 2010

Name of Warrant Holders	No. of Warrants Held	% of Warrants
26. Public Nominees (Tempatan) Sdn. Bhd. –Pledged Securities Account for Lim Kee Yek (E-SS2)	24,000	0.77
27. Loo Kee Watt	22,400	0.72
28. Mayban Nominees (Tempatan) Sdn. Bhd. –Pledged Securities Account for Soon Lay Hee	21,500	0.69
29. Chin Kian Fong	20,440	0.66
30. Mayban Nominees (Tempatan) Sdn. Bhd. –Pledged Securities Account for Bong Yoon Pah @ Wong Yoon Pah	20,000	0.64
Total	1,793,653	57.54

DIRECTORS' INTEREST IN WARRANTS 2005/2012
(As per Register of Directors' Warrant Holdings)

Name of Directors	Direct Interest Warrant Holdings	%	Indirect Interest Warrant Holdings	%
Gooi Seong Lim	–	–	2,240 *	0.07
Gooi Seong Heen	–	–	2,240 *	0.07
Gooi Seong Chneh	–	–	2,240 *	0.07
Gooi Seong Gum	–	–	2,240 *	0.07
Gan Kim Guan	–	–	–	–
Teoh Cheng Hai	–	–	–	–
Chew Poh Soon	–	–	–	–

Note:-

* *Deemed interests by virtue of their interests in Kim Loong Plantations Sdn. Bhd.*

Particulars of properties

Beneficial owner / Location	Tenure - leasehold interest expiring on	Description and existing use	Land area (Ha)	Date of revaluation/ (acquisition)	Approx. age of building	Net book value as at 31 January 2010 RM'000
Kim Loong Resources Berhad						
- CL 085311253	31/12/2077	Oil palm plantation	80.86	31 Jan 2004	Not applicable	2,011
- CL 085313079	31/12/2078	Oil palm plantation	384.25	31 Jan 2004	Not applicable	9,564
- CL 085311306	31/12/2077	Oil palm plantation	121.45	31 Jan 2004	Not applicable	3,272
- CL 085311315	31/12/2077	Oil palm and cocoa	102.51	31 Jan 2004	Not applicable	2,726
- CL 085311244	31/12/2077	Oil palm and cocoa	166.53	31 Jan 2004	Not applicable	4,296
District of Labuk/Sugut, Sabah						
- CL 095317552	31/12/2085	Oil palm plantation	6.07	31 Jan 2004	Not applicable	152
- CL 095317561	31/12/2085	Oil palm plantation	5.93	31 Jan 2004	Not applicable	149
- CL 095315058	31/12/2085	Oil palm plantation	303.39	31 Jan 2004	Not applicable	7,601
- CL 095317436	31/12/2087	Oil palm plantation	14.25	31 Jan 2004	Not applicable	359
- CL 095310777	31/12/2078	Oil palm plantation	395.78	31 Jan 2004	Not applicable	9,851
- CL 095315049	31/12/2085	Oil palm plantation	343.90	31 Jan 2004	Not applicable	8,617
- CL 095316957	31/12/2086	Oil palm plantation	80.82	31 Jan 2004	Not applicable	2,026
- CL 095310428	31/12/2077	Oil palm plantation	81.06	31 Jan 2004	Not applicable	2,016
- CL 095310982	31/12/2078	Oil palm plantation	400.56	31 Jan 2004	Not applicable	8,852
- CL 095310526	31/12/2077	Oil palm plantation	243.74	31 Jan 2004	Not applicable	6,175
District of Kinabatangan, Sabah						
Desa Kim Loong Industries Sdn. Bhd.						
- CL 135345069	31/12/2080	Factory/quarter (1)		Not applicable	7 years	185
Sook, District of Keningau, Sabah						
Kim Loong - KPD Plantations Sdn. Bhd.						
- CL 095332639	31/12/2086	Oil palm plantation	1,610.00	31 Jan 2004	Not applicable	29,873
- Part of CL 095332648	30/06/2032	Oil palm plantation	386.76 (2)	31 Jan 2004	Not applicable	4,399
District of Kinabatangan, Sabah						
Okidville Holdings Sdn. Bhd.						
- CL 135328782	31/12/2083	Oil palm plantation	2,772.10	31 Jan 2004	Not applicable	49,939
Sook, District of Keningau, Sabah						
Desa Okidville Sdn. Bhd.						
- CL 135345069	31/12/2080	Oil palm plantation (3) (4)	4,419.57	31 Jan 2004	Not applicable	69,386
Sook, District of Keningau, Sabah						
Desa Kim Loong Palm Oil Sdn. Bhd.						
- CL 135345069	31/12/2080	Palm oil mill and oil palm plantation	40.47 (3)	31 Jan 2004	7 years	8,488
Sook, District of Keningau, Sabah						

Particulars of properties

Beneficial owner / Location	Tenure - leasehold interest expiring on	Description and existing use	Land area (Ha)	Date of revaluation/ (acquisition)	Approx. age of building	Net book value as at 31 January 2010 RM'000
Kim Loong Palm Oil Mills Sdn. Bhd.						
- HS (D) 15057, Lot No. 2420	Freehold	Palm oil mill	24.18	31 Jan 2004	13 years	12,906
- HS (D) 708, MLD 598	Freehold	Vacant land	4.32	(10 Mar 2003)	Not applicable	2,321
- HS (D) 709, MLD 599	Freehold	Vacant land	4.93	(10 Mar 2003)	Not applicable	2,645
- HS (M) 118	Freehold	Vacant land	2.05	(17 Feb 2003)	Not applicable	620
Hulu Sg Sedeli Besar, Kota Tinggi, Johor						
Kim Loong Evergrow Sdn. Bhd. - HS (D) 15057, Lot No. 2420 Hulu Sg Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory/store [1]	-	Not applicable	4 years	438
Winsome Al-Yatama Sdn. Bhd. - HSD 13896, PTD 828 Mukim Hulu Sg Sedeli Besar Kota Tinggi, Johor	31/10/2064	Oil palm plantation	1,093.46	(09 Nov 2004)	Not applicable	29,118
Palm Nutraceuticals Sdn. Bhd. - HS (D) 15057, Lot No. 2420 Hulu Sg Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory/office [1]	-	Not applicable	5 years	1,189
Kim Loong Technologies Sdn. Bhd. - HS (D) 15057, Lot No. 2420 Hulu Sg Sedeli Besar, Kota Tinggi, Johor	Freehold	Factory [1]	-	Not applicable	4 years	1,028
Kim Loong Sabah Mills Sdn. Bhd. - Part of CL 095332648 District of Kinabatangan, Sabah	31/12/2086	Palm oil mill	13.84	(2 August 2007)	2 years	5,857
Kim Loong Technologies (Sabah) Sdn. Bhd. - CL 135345069 Sook, District of Keningau, Sabah	31/12/2080	Factory [1]	-	Not applicable	Construction in progress	1,392
Kim Loong Power Sdn. Bhd. - HS (D) 15057, Lot No. 2420 Hulu Sg Sedeli Besar, Kota Tinggi, Johor	Freehold	Store [1]	-	Not applicable	1 year	34
Winsome Pelita (Pantu) Sdn. Bhd. ***(formerly known as Tetangga Akrab Pelita (Pantu) Sdn. Bhd.)*** - Sungai Tenggang and Kranggas/Mawang Sri Aman, Sarawak	NCR Native Land 60 years	Oil palm plantation	2,111.58	(06 Jan 2010) [5]	Not applicable	23,985
			15,214.36			**311,470**

(1) These buildings are sited on rented land held by related companies.
(2) These lands were subleased from third parties.
(3) They are registered owner of their undivided share in the land and pending issuance of sub-divided tittles in the name of the respective subsidiary company.
(4) Included approximately 56.65 hectares subleased from a third party.
(5) The acquisition of Winsome Pelita (Pantu) Sdn. Bhd. by Kim Loong Corporation Sdn. Bhd., a wholly owned subsidiary of Kim Loong Resources Berhad, was completed on 6 January 2010.

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FORM OF PROXY

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

I/We, ____

of ____

being (a) member(s) of the abovenamed Company do hereby appoint ______________________________

of ____

or failing whom, ______________________ of ______________________________________

or failing whom, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirty-fifth Annual General Meeting of the Company to be held at Jasmine Junior Ball Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on 30 July 2010 at 2.30 p.m and at any adjournment thereof in the manner as indicated below:-

No.	Resolution	For	Against
1.	Adoption of Reports and Audited Financial Statements		
2.	Declaration of final dividend		
3.	Re-election of Director: Gooi Seong Lim		
4.	Re-election of Director: Gooi Seong Gum		
5.	Appointment of Auditors		
6.	Authority to issue shares		
7.	Proposed Renewal of Authority for Share Buy-Back		
8.	Proposed Amendment to the Articles of Association		

(Please indicate with an ‘X’ in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Signed this ___________ day of ___________ 2010

____
Signature of Member(s)

Number of Shares held	

NOTES:

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him.

To be valid, this Form duly completed must be deposited at the registered office of the Company at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time set for holding the meeting.

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.

Where a member 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 shares of the Company standing to the credit of the said securities account.

If the appointor is a corporation, this Form must be executed under its common seal or under the hand of the attorney.

Please fold this flap for sealing

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STAMP

The Secretary

KIM LOONG RESOURCES BERHAD

Unit No. 203, 2nd Floor, Block C,

Damansara Intan,

No. 1, Jalan SS 20/27,

47400 Petaling Jaya.

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Kim Loong Resources Berhad (22703-K)
Unit 203, 2nd Floor, Block C, Damansara Intan,
No 1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.
Tel: (603) 7118 2688 Fax: (603) 7118 2693