

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Combined Statement of Comprehensive Income
For the First Quarter Ended 31 March 2010

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 Mar 2010 RM'000	Preceding Year Quarter (2) 31 Mar 2009 RM'000	Current Year To Date 31 Mar 2010 RM'000	Preceding Year To Date (2) 31 Mar 2009 RM'000
Revenue	115,832	N/A	115,832	N/A
Cost of sales	(99,821)	N/A	(99,821)	N/A
Gross profit	16,011	N/A	16,011	N/A
Other income	906	N/A	906	N/A
Selling and administrative expenses	(3,219)	N/A	(3,219)	N/A
Finance costs	(695)	N/A	(695)	N/A
Profit before tax	13,003	N/A	13,003	N/A
Income tax expense	(3,242)	N/A	(3,242)	N/A
Profit after tax	9,761	N/A	9,761	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income for the period	<u>9,761</u>	<u>N/A</u>	<u>9,761</u>	<u>N/A</u>
Total comprehensive income attributable to :				
Equity holders of the Company	9,761	N/A	9,761	N/A
Minority interest	-	N/A	-	N/A
	<u>9,761</u>	<u>N/A</u>	<u>9,761</u>	<u>N/A</u>
Earnings Per Share (RM)				
- Basic (3)	0.06	N/A	0.06	N/A
- Diluted (4)	0.06	N/A	0.06	N/A

Notes:

(1) The Condensed Combined Statement of Comprehensive Income are prepared based on the combined results of Kimlun Corporation Berhad ("KIMLUN") and its subsidiaries ("KIMLUN Group") for the quarter ended 31 March 2010 assuming the KIMLUN Group has existed. KIMLUN completed its restructuring only on 10 May 2010.

(2) No comparable figures are available for the preceding period / year as this is the first quarterly report to Bursa Malaysia Securities Berhad.

(3) Based on the issued share capital of 165,000,000 shares after completion of the Acquisition (as detailed in Note B8), assuming that the completion of Acquisition have taken place on or before 1 January 2010.

(4) Based on the issued share capital of 165,000,000 shares after completion of the Acquisition, assuming that the completion of acquisition have taken place on or before 1 January 2010.

The Condensed Combined Statement of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 14 June 2010 and the accompanying notes attached to this interim financial report.

Kimlun Corporation Berhad
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Unaudited Condensed Combined Statements of Financial Position
As at 31 March 2010

	Unaudited As at 31 March 2010 RM'000	Unaudited As at (2) 31 December 2009 RM'000
Assets		
Non-current assets		
Property, plant and equipment	18,113	N/A
Investments properties	567	N/A
Other investments	40	N/A
	<u>18,720</u>	<u>N/A</u>
Current assets		
Properties held for sale	1,387	N/A
Inventories	12,397	N/A
Trade and other receivables	182,613	N/A
Cash and bank balances	78,004	N/A
	<u>274,401</u>	<u>N/A</u>
TOTAL ASSETS	<u>293,121</u>	<u>N/A</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	82,500	N/A
Translation reserve	(13)	N/A
Merger deficit	(79,500)	N/A
Retained profits	109,710	N/A
Total equity	<u>112,697</u>	<u>N/A</u>
Non-current liabilities		
Deferred tax liabilities	987	N/A
Loans and borrowings	4,960	N/A
	<u>5,947</u>	<u>N/A</u>
Current liabilities		
Income tax payable	5,845	N/A
Loans and borrowings	33,863	N/A
Trade and other payables	134,769	N/A
	<u>174,477</u>	<u>N/A</u>
Total liabilities	<u>180,424</u>	<u>N/A</u>
TOTAL EQUITY AND LIABILITIES	<u>293,121</u>	<u>N/A</u>
Net Assets Per Share Attributable to ordinary equity holders of the Company (RM) (3)	0.68	N/A

Notes:

(1) The Condensed Combined Statements of Financial Position are prepared based on the combined results of Kimlun Corporation Berhad ("KIMLUN") and its subsidiaries ("KIMLUN Group") for the quarter ended 31 March 2010 assuming the KIMLUN Group has existed. KIMLUN completed its restructuring only on 10 May 2010.

(2) No comparable figures are available for the preceding period / year as this is the first quarterly report to Bursa Malaysia Securities Berhad.

(3) Based on the issued share capital of 165,000,000 shares after completion of the Acquisition (as detailed in note B8).

The Condensed Combined Statements of Financial Position should be read in conjunction with the Proforma Consolidated Financial information and the Accountants' Report for the financial period/year ended 31 December 2009 as disclosed in the prospectus of the Company dated 14 June 2010 and the accompanying notes attached to this interim financial.

Kimlun Corporation Berhad
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Unaudited Condensed Combined Statement of Changes in Equity
As at 31 March 2010

	<-----	Non-distributable	----->	Distributable	
	Share capital	Foreign currency translation reserve	Merger Deficit	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance At 1 January 2010	82,500	2	(79,500)	101,952	104,954
- Effect of adopting FRS 139				(2,003)	(2,003)
- As restated	82,500	2	(79,500)	99,949	102,951
Total comprehensive income for the period	0	(15)	0	9,761	9,746
At 31 March 2010	82,500	(13)	(79,500)	109,710	112,697

(1) The Condensed Combined Statements of Changes in Equity are prepared based on the combined results of Kimlun Corporation Berhad ("KIMLUN") and its subsidiaries ("KIMLUN Group") for the quarter ended 31 March 2010 assuming the KIMLUN Group has existed. KIMLUN completed its restructuring only on 10 May 2010.

(2) No comparable figures are available for the preceding period / year as this is the first quarterly report to Bursa Malaysia Securities Berhad.

(3) Based on the issued share capital of 165,000,000 shares after completion of the Acquisition (as detailed in note B8).

The Condensed Combined Statements of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial information and the Accountants' Report for the financial period/year ended 31 December 2009 as disclosed in the prospectus of the Company dated 14 June 2010 and the accompanying notes attached to this interim financial.

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Unaudited Condensed Combined Statement of Cash Flow
For the first quarter ended 31 March 2010

	Current Year To Date 31 Mar 2010 RM'000	Preceding Year To Date (2) 31 Mar 2009 RM'000
Cash flows from operating activities		
Profit before taxation	13,003	N/A
Adjustment for :		
Unrealised foreign exchange gain	(332)	N/A
Depreciation	1,095	N/A
Interest expenses	503	N/A
Interest income	(208)	N/A
Operating profit before working capital changes	<u>14,061</u>	<u>N/A</u>
Inventories	563	N/A
Receivables	12,279	N/A
Payables	(5,250)	N/A
Cash generated from operating activities	<u>21,653</u>	<u>N/A</u>
Interest paid	(503)	N/A
Tax paid	(2,890)	N/A
Interest received	196	N/A
Net cash generated from operating activities	<u>18,456</u>	<u>N/A</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,409)	N/A
Interest received	12	N/A
Net cash used in investing activities	<u>(1,397)</u>	<u>N/A</u>
Cash flows from financing activities		
Proceeds from bankers's acceptance	3,666	N/A
Repayment of term loan	(245)	N/A
Repayment of advance against progressive claim	(2,538)	N/A
Repayment to hire purchase creditors	(501)	N/A
Net cash used in financing activities	<u>382</u>	<u>N/A</u>
Net increase in cash and cash equivalents	17,441	N/A
Effects of exchange rate changes on cash and cash equivalents	(15)	N/A
Cash and cash equivalents at beginning of financial period	60,578	N/A
Cash and cash equivalents at end of financial period	78,004	N/A
	-	
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	78,004	N/A
Bank overdrafts (included within short term borrowings)	-	N/A
	<u>78,004</u>	<u>N/A</u>

Notes:

(1) The Condensed Combined Statement of Cash Flow are prepared based on the combined results of Kimlun Corporation Berhad ("KIMLUN") and its subsidiaries ("KIMLUN Group") for the quarter ended 31 March 2010 assuming the KIMLUN Group has existed. KIMLUN completed its restructuring only on 10 May 2010.

(2) No comparable figures are available for the preceding period / year as this is the first quarterly report to Bursa Malaysia Securities Berhad.

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 14 June 2010 and the accompanying notes attached to this interim financial report.

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NOTES TO THE REPORT

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARDS (“FRS”) 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities). This is the first interim financial report on the combined results for the first quarter ended 31 March 2010 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

The interim financial report should be read in conjunction with the proforma combined financial statements for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 14 June 2010 and the accompanying explanatory notes attached to this interim financial report.

The interim financial report contains condensed combined financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The interim combined financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSs.

A2. Changes in accounting policies

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the financial period/year ended 31 December 2009 of the Group, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs (Amendments) and Issues Committee (IC) Interpretations with effect from 1 January 2010:

FRS 4: Insurance Contracts
FRS 7: Financial Instruments: Disclosures
FRS 8: Operating Segments
FRS 101: Presentation of Financial Statements
FRS 123: Borrowing Costs
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7: Financial Instruments: Disclosures
Amendments to FRS 8: Operating Segments
Amendments to FRS 107: Statement of Cash Flows
Amendments to FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110: Events After the Balance Sheet Date
Amendments to FRS 116: Property, Plant and Equipment
Amendments to FRS 117: Leases
Amendments to FRS 118: Revenue
Amendments to FRS 119: Employee Benefits
Amendments to FRS 123: Borrowing Costs
Amendments to FRS 127: Consolidated and Separate Financial Statements
Amendments to FRS 128: Investments in Associates

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Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 134: Interim Financial Reporting
Amendments to FRS 136: Impairment of Assets
Amendments to FRS 138: Intangible Assets
Amendments to FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 140: Investment Property
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 14: FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

Other than the implications as disclosed below, the adoption of the above FRSs, IC interpretations and Amendments do not have material impact on the financial statements of the Group:

(i) FRS 8: Operating Segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports.

(ii) FRS 139: Financial instruments: Recognition and measurement

FRS 139 establishes principles for recognition and measurement of financial instruments. The Group has adopted FRS139 prospectively on 1 January 2010 in accordance with the transitional provisions of FRS139.

Financial Assets and Liabilities

(a) Receivables

Prior to 1 January 2010, receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, receivables are initially measured at fair value and subsequently at amortized cost at effective interest rate method. Gains and losses are recognized in the income statement when the related accretion cost are derecognized or further impaired.

(b) Payables

Prior to 1 January 2010, payables were stated at gross amount payable. Under FRS 139, payables are initially measured at fair value and subsequently at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated income statements.

(c) Derivative Financial Instruments

The Group does not have any off balance sheet financial instruments in the previous financial year or the current financial quarter.

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Disclosure of Gains or Losses arising from Fair Value Changes of Financial Assets and Liabilities

In accordance with the transitional provisions of FRS 139, the applicable changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

	As at 1 January 2010
	RM'000
Decrease in trade receivables	(3,106)
Decrease in trade payables	(1,103)
Decrease in retained earnings	(2,003)

In addition, the changes in accounting policies have the effect of increasing the current quarter net profit by RM0.03 million only as stated below;

	Current quarter ended 31.03.2010
	RM'000
Gains arising from trade receivables	51
Loss arising from trade payables	(18)
Net gains to Profit and Loss	33

The above gains/losses were arising from the re-measurement of fair value of retention sum due from customers and retention sums due to contractors.

A3. Auditor's report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial period/year ended 31 December 2009.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5. Items of Unusual Nature

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow during the current financial quarter.

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A6. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

A7. Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

A8. Dividend Paid

There was no dividend paid in the current financial period.

Subsequent to the end of the current financial period but prior to the Acquisitions (as detailed in note B8), Kimlun Sdn Bhd (%LSB+) and SPC Industries Sdn Bhd (%SPC+) had, on 7 May 2010, declared to their shareholders a dividend of RM8.5 million and RM1.0 million respectively as part of the listing scheme, which were paid on 8 May 2010.

These dividends were not taken into consideration in the combined financial statements of the Group for the quarter under review as these transactions occurred after the balance sheet date.

A9. Segmental Information

The Group is organized into the following operating segments:-

- a) Construction . construction of building and infrastructure
- b) Manufacturing and trading - manufacture and supply of concrete products, and trading of building materials

	Construction RM'000	Manufacturing RM'000	Elimination RM'000	Consolidated RM'000
REVENUE				
External sales	107,169	8,663	-	115,832
Inter-segment sales	-	2,350	(2,350)	-
Total revenue	107,169	11,013	(2,350)	115,832
RESULTS				
Profit from operations	13,656	2,355	-	16,011
Other operating income				906
Selling and administrative expenses				(3,219)
Finance costs				(695)
Profit before tax				13,003
Income tax expense				(3,242)

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Total Comprehensive Income	9,761
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A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter.

A11. Capital commitments

Capital commitment for property, plant and equipment not provided for as at 31 March 2010 are as follows:-

	RM000
Approved and contracted for	<u>5,484</u>

A12. Property, Plant and Equipment

The Group acquired property, plant and equipment amounting to RM1.41 million during current financial quarter.

A13. Material events subsequent to the end of period reported

Save as disclosed under note B8, there were no material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report. The Group is expected to be listed on the Main Market of Bursa Securities on 29 June 2010.

A14. Changes in composition of the group

There were no changes in the composition of the Group during the current quarter.

The condensed combined financial statements of the Group were prepared based on the combined result of Kimlun Corporation Bhd and its subsidiaries, KLSB, SPC and I-Buildtech Solutions Pte. Ltd (%BT+) (collectively, KIMLUN Group) assuming KIMLUN Group has existed on or before 1 January 2010.

A15. Contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A16. Significant Related Party Transactions

The Group had the following transactions during the current financial quarter with related parties in which certain directors of the Company have substantial financial interest:-

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Nature of Transactions	Transaction Value Based on Billings (RM'000)	Balance outstanding as at 31 March 2010 (RM'000)
Provision of construction services to a company in which the Company's director, Pang Tin @ Pang Yon Tin has substantial financial interest	5,119	3,626
Purchase of quarry products from a company in which the Company's directors, Pang Tin @ Pang Yon Tin and Phang Piow @ Pang Choo Ing have substantial financial interest	5,942	7,887

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NOTES TO REPORT

**PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA
MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

B1. Review Of Performance Of The Group

Assuming that the Group has existed in this quarter, the Group achieved a revenue of RM115.83 million during the current quarter, which is 6.4% higher than the pro-rated pro-forma consolidated revenue of RM108.85 million for the financial year ended 31 December 2009. The construction segment continued to be the main revenue contributor to the Group, attributing 92.5% of the current quarter's revenue.

The profit after taxation of the Group of RM9.76 million for the current quarter is 23.8% higher than the pro-rated pro-forma consolidated profit after tax of RM7.88 million for the financial year ended 31 December 2009.

The increase in revenue and profit after tax was mainly due to higher contribution from the construction segment attributable mainly to the progression of construction work of several large sized projects, lower operating expenses and lower deferred expenditure written off.

**B2. Material Changes In The Quarterly Results Compared To The Results Of The Preceding
Quarter**

As this is the first interim financial report being prepared and the Group has only existed on 10 May 2010, there are no comparative figures for the preceding quarter.

B3. Current Year Prospects

Malaysian Construction Sector

The Malaysian construction sector is envisaged to expand 3.2% in 2010. The construction sector expanded at a strong pace of 8.7% during the first quarter of 2010, supported by the implementation of construction-related projects under the second fiscal stimulus package and the Ninth Malaysia Plan.

The sector is expected to benefit from the economic recovery, ongoing construction activities under the second stimulus package and construction projects to be rolled out under the Tenth Malaysia Plan.

The Government has allocated RM230bil for development expenditure under the 10th Malaysia Plan (10MP). Among the projects which will be rolled out under the 10MP are:

- The implementation of the high-capacity Mass Rapid Transit system. When completed, the system is expected to cover a total length of about 150km.
- The development of the Malaysian Rubber Board's land in Sungai Buloh, Selangor, covering an area of 3,300 acres at an estimated cost of RM10bil.
- The construction of eight hospitals, 197 clinics and 50 additional 1Malaysia clinics

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- The construction of seventy-eight thousand affordable houses

Singapore Construction Sector

The Ministry of Trade and Industry, Singapore, expects the Singapore economy to grow by 7.0 to 9.0% in 2010. The construction sector grew by 11.3% on a year-on-year basis in the first quarter of 2010 supported by sustained public sector civil engineering activities and an increase in the number of residential construction projects.

Singapore's construction demand for 2010 is projected to reach between SGD21 billion and SGD27 billion this year. This is a continuation of a sustained workload from last year's SGD21 billion worth of contracts awarded.

The bulk of this year's demand will come from the public sector, largely be fuelled by higher growths in most categories of building construction demand and strong civil engineering projects led by Land Transport Authority (LTA)'s MRT projects for Downtown Line Stage 3 and major road projects.

The increase in construction activities will have spill-over effects on complementary industries such as building and construction materials. The Group continues to bid actively for construction projects and sale orders for pre-cast concrete products particularly for the supply of tunnel lining segments to Singapore MRT projects.

Based on the industry outlook listed above, the Board of Directors is of the opinion that the Group's performance will improve as compared to the last financial year.

B4. Profit Forecast And Profit Estimate

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. Taxation

	RM'000
Malaysia tax	
- Current year	3,210
Deferred tax	32
	<u>3,242</u>

The effective tax rate approximate the statutory rate applicable to the Group for the current quarter.

B6. Profit on Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties during the current financial quarter.

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B7. Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current financial quarter.

B8. Status of Corporate Proposals

In conjunction with, and as an integral part of our Listing, we undertook the following Listing Scheme, which involves the following:-

(i) Dividend Payment

Prior to the Acquisitions (details as below), KLSB and SPC had, on 7 May 2010, declared to their shareholders a dividend of RM8.5 million and RM1.0 million, respectively.

The dividends were paid on 8 May 2010.

(ii) Acquisitions

(a) Acquisition of KLSB

Pursuant to the Share Sale Agreement dated 6 November 2009 entered into by the Company and the vendors of KLSB, the Company acquired the entire issued and paid-up share capital of KLSB, comprising 1,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM66,164,000, which was wholly satisfied by the issuance of 132,328,000 new ordinary of RM0.50 each in the Company (ordinary share of RM0.50 each in the Company is hereinafter referred to as %Share+) credited as fully paid-up. The vendors and their respective equity interests acquired by the Company together with the number of new Shares issued as consideration are set out as follows:-

Name	Shareholding in KLSB		No. of new Shares issued as consideration
	No. of shares of RM1.00 held	% held	
Pang Tin @ Pang Yon Tin	600,000	60.00	79,396,800
Phang Piow @ Pang Choo Ing	100,000	10.00	13,232,800
Pang Khang Hau	100,000	10.00	13,232,800
Chin Lian Hing	50,000	5.00	6,616,400
Sim Tian Liang	50,000	5.00	6,616,400
Yam Tai Fong	50,000	5.00	6,616,400
Leong Choon Thye	25,000	2.50	3,308,200
Lew Kim Bock	25,000	2.50	3,308,200
Total	1,000,000	100.00	132,328,000

The purchase consideration of RM66,164,000 for the Acquisition of KLSB was arrived at on a willing buyer-willing seller basis after taking into consideration the audited Net Tangible Assets (%NTA+) of KLSB as at 31 May 2009 of RM66,083,298.

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The 132,328,000 new Shares issued pursuant to the Acquisition of KLSB rank *pari passu* in all respects with the existing Shares and carry all rights to receive in full all dividends and other distributions declared and paid subsequent to the allotment thereof.

The Acquisition of KLSB was completed on 10 May 2010.

(b) Acquisition of SPC

Pursuant to the Share Sale Agreement dated 6 November 2009 and the Supplemental Agreement dated 10 May 2010 entered into by the Company and the vendors of SPC, the Company acquired the entire issued and paid-up share capital of SPC, comprising 2,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM15,995,999, which was wholly satisfied by the issuance of 31,991,998 new Shares each credited as fully paid-up. The vendors and their respective equity interests acquired by the Company together with the number of new Shares issued as consideration are set out as follows:-

Name	Shareholding in SPC		No. of new Shares issued as consideration
	No. of shares of RM1.00 held	% held	
Pang Tin @ Pang Yon Tin	600,000	30.00	9,597,599*
Phang Piow @ Pang Choo Ing	600,000	30.00	9,597,599
Loh Chew Lon	600,000	30.00	9,597,600*
Pang Chew Ngo	100,000	5.00	1,599,600
Pang Koi Moy	100,000	5.00	1,599,600
Total	2,000,000	100.00	31,991,998

Note:-

* Upon completion of the Acquisition of SPC, Loh Chew Lon sold and transferred in total 2,959,300 new Shares issued to him as consideration pursuant to the Acquisition of SPC to Pang Tin @ Pang Yon Tin for a purchase consideration of RM2,870,521 ("**LCL-PT Sale**"). The sale and transfer of Shares by Loh Chew Lon to Pang Tin @ Pang Yon Tin under the LCL-PT Sale was completed on 10 May 2010.

The purchase consideration of RM15,995,999 for the Acquisition of SPC was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NTA of SPC as at 31 May 2009 of RM15,995,797.

The 31,991,998 new Shares issued pursuant to the Acquisition of SPC rank *pari passu* in all respects with the existing Shares and carry all rights to receive in full all dividends and other distributions declared and paid subsequent to the allotment thereof.

The Acquisition of SPC was completed on 10 May 2010.

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(c) Acquisition of IBT

Pursuant to the Share Sale Agreement dated 6 November 2009 entered into by the Company and the vendors of IBT, the Company acquired the entire issued and paid-up share capital of IBT, comprising 80 ordinary shares for a total purchase consideration of RM340,000, which was wholly satisfied by the issuance of 680,000 new Shares each credited as fully paid-up. The vendors and their respective equity interests acquired by the Company together with the number of new Shares issued as consideration are set out as follows:-

Name	Shareholding in IBT		No. of new Shares issued as consideration
	No. of shares held	% held	
Pang Tin @ Pang Yon Tin	55	68.75	467,500
Pang Khang Hau	10	12.50	85,000
Sim Tian Liang	5	6.25	42,500
Yam Tai Fong	5	6.25	42,500
Chin Lian Hing	5	6.25	42,500
Total	80	100.00	680,000

The purchase consideration of RM340,000 for the Acquisition of IBT was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NTA of IBT as at 31 May 2009 of SGD140,180 (equivalent to RM339,011 based on the exchange rate of SGD1.00:RM2.4184 as at 31 May 2009).

The 680,000 new Shares issued pursuant to the Acquisition of IBT rank *pari passu* in all respects with the existing Shares and carry all rights to receive in full all dividends and other distributions declared and paid subsequent to the allotment thereof.

The Acquisition of IBT was completed on 10 May 2010.

(iii) IPO

(a) Public Issue

The Company is undertaking the Public Issue of 64 mil Shares at an issue price of RM0.97 per Share.

(b) Offer for Sale

Phang Piow @ Pang Choo Ing (Offeror+) is undertaking the Offer for Sale of 11.3 mil Shares at an offer price of RM0.97 per Share.

The Company issued its prospectus for its IPO on 14 June 2010.

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(iv) Listing

Subsequent to the Public Issue and Offer for Sale, the Company proposes to seek the listing of and quotation for its entire enlarged issued and paid-up share capital of comprising of 229 mil Shares on the Main Market of Bursa Securities.

(v) Utilisation of Proceeds

The Public Issue is expected to raise gross proceeds of RM62.08 mil which will accrue to the Company. We propose to utilize the proceeds raised in the following manner:-

Description	Estimated timeframe for utilisation upon Listing	Amount (RM)	% of total gross proceeds
Construction of factories and purchase of plant and machinery	Within 24 months	35,900,000	57.83
Purchase of a parcel of industrial land	Within 12 months	* 5,200,000	8.38
Working capital	Within 24 months	16,980,000	27.35
Estimated listing expenses	Immediate	4,000,000	6.44
Total gross proceeds		62,080,000	100.00

Note:-

* *Inclusive of estimated incidental cost of RM200,000.*

The gross proceeds arising from the Offer for Sale, net of the relevant fee, shall accrue entirely to the Offeror and no part of the proceeds will be received by the Company.

B9. Group Borrowing and Debts Securities

The Group's borrowing and debts securities as at 31 March 2010 are as follows:

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	RM'000
Long term borrowings	
<u>Secured:</u>	
Hire purchase creditors	732
	<u>732</u>
<u>Unsecured:</u>	
Term loans	4,228
	<u>4,228</u>
	<u>4,960</u>
Short term borrowings	
<u>Secured:</u>	
Bank overdrafts	-
Hire purchase creditors	1,322
Bankers' acceptance	28,107
Advance against progressive claim	745
Packing credit advances	2,655
Term loan	15
	<u>32,844</u>
<u>Unsecured:</u>	
Term loans	1,019
	<u>1,019</u>
	<u>33,863</u>

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this quarterly report.

B11. Material Litigation

There were no material litigation as at the date of issuance of this quarterly report.

B12. Dividends

No interim dividends have been declared during the current quarter under review.

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B13. Earnings Per Share

Basic and diluted earnings per share are calculated based on the assumptions that enlarged share capital of 165 mil Shares to be issued and the completion of the acquisition had taken place on or before 1 Jan 10.