

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the Second Quarter Ended 30 Sept 2011

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/9/2011 RM'000	Preceding Year Quarter (2) 30/9/2010 RM'000	Current Year To Date 30/9/2011 RM'000	Preceding Year To Date (2) 30/9/2010 RM'000
Revenue	159,928	119,406	460,083	374,618
Cost of sales	(141,794)	(104,340)	(403,859)	(327,680)
Gross profit	18,134	15,066	56,224	46,938
Other income	1,445	894	3,581	2,887
Selling and administrative expenses	(5,489)	(4,093)	(15,728)	(11,867)
Finance costs	(816)	(603)	(1,938)	(2,131)
Profit before tax	13,274	11,264	42,139	35,827
Income tax expense	(3,492)	(2,866)	(11,098)	(9,252)
Profit net of tax	9,782	8,398	31,041	26,575
Other comprehensive income	-	(16)	9	(16)
Total comprehensive income for the period	<u>9,782</u>	<u>8,382</u>	<u>31,050</u>	<u>26,559</u>
Profit attributable to :				
Owners of the Company	9,782	8,398	31,042	26,575
Non-controlling interests	-	-	(1)	-
	<u>9,782</u>	<u>8,398</u>	<u>31,041</u>	<u>26,575</u>
Earnings Per Share (RM)				
- Basic (3)	0.04	0.04	0.14	0.14
- Diluted (3)	N/A	N/A	N/A	N/A
Total comprehensive income attributable to :				
Owners of the Company	9,782	8,382	31,051	26,559
Non-controlling interests	-	-	(1)	-
	<u>9,782</u>	<u>8,382</u>	<u>31,050</u>	<u>26,559</u>

Notes:

(1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying notes attached to the interim financial statements.

(2) These comparative figures have been extracted consistently from the interim financial report for the quarter ended 30 September 2010 announced to Bursa Malaysia Securities Berhad in prior year.

(3) Please refer to Note B14 for details.

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statements of Financial Position
As at 30 September 2011

	Unaudited As at 30/9/2011 RM'000	Audited As at 31/12/2010 RM'000
Assets		
Non- current assets		
Property, plant and equipment	40,824	36,274
Investment properties	327	567
Other investments	90	90
	<u>41,241</u>	<u>36,931</u>
Current assets		
Properties held for sale	863	1,306
Development property	1,259	-
Inventories	9,335	5,854
Trade and other receivables	173,624	147,168
Other current assets	130,001	88,735
Cash and bank balances	85,517	111,217
	<u>400,599</u>	<u>354,280</u>
TOTAL ASSETS	<u><u>441,840</u></u>	<u><u>391,211</u></u>
EQUITY AND LIABILITIES		
Current liabilities		
Income tax payable	4,258	2,446
Loans and borrowings	28,974	26,706
Trade and other payables	189,325	163,333
Other current liability	8,582	8,110
	<u>231,139</u>	<u>200,595</u>
Net current assets	<u>169,460</u>	<u>153,685</u>
Non-current liabilities		
Loans and borrowings	3,632	4,403
Deferred tax liabilities	2,561	1,810
	<u>6,193</u>	<u>6,213</u>
TOTAL LIABILITIES	<u>237,332</u>	<u>206,808</u>
Net assets	<u>204,508</u>	<u>184,403</u>
Equity		
Share capital	114,500	114,500
Share premium	26,778	26,778
Translation reserve	5	(4)
Retained earnings	63,179	43,129
Equity attributable to owners of the Company	<u>204,462</u>	<u>184,403</u>
Non-controlling interests	46	-
Total equity	<u>204,508</u>	<u>184,403</u>
TOTAL EQUITY AND LIABILITIES	<u><u>441,840</u></u>	<u><u>391,211</u></u>
 Net Assets Per Share Attributable to owners of the Company (RM)	 0.89	 0.81

Notes:

(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying notes attached to the interim financial statements.

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Cash Flow
For The Period Ended 30 September 2011

	Current Year To Date 30/9/2011 RM'000	Preceding Year To Date 30/9/2010 RM'000
Operating activities		
Profit before tax	42,139	35,827
Adjustment for :		
Unrealised foreign exchange gain	(243)	(290)
Depreciation	4,816	3,647
Loss on disposal of investment properties held for sale	-	25
Gain on disposal of investment property	(60)	-
Gain on disposal of property, plant and equipment	(308)	(5)
Transfer of fixed asset to Profit and Loss	1	-
Impairment of intangible assets	2	-
Reversal of impairment loss	(71)	-
Interest expenses	1,083	1,359
Interest income	(942)	(715)
Operating cash flows before changes in working capital	<u>46,417</u>	<u>39,848</u>
Changes in working capital		
Development property	(1,259)	-
Inventories	(3,481)	2,850
Receivables	(66,228)	(36,296)
Payables	21,444	13,267
Cash flows from operations	<u>(3,107)</u>	<u>19,669</u>
Interest paid	(1,083)	(1,359)
Tax paid	(8,535)	(8,570)
Interest received	942	658
Net cash flows (used in)/from operating activities	<u>(11,783)</u>	<u>10,398</u>
Investing activities		
Purchase of property, plant and equipment	(5,819)	(6,828)
Proceeds from disposal of property, plant & equipment	310	10
Purchase of club membership	-	(50)
Interest received	-	58
Net cash flows used in investing activities	<u>(5,509)</u>	<u>(6,810)</u>
Financing activities		
Proceeds from issuance of shares by a subsidiary to minority interest	49	-
Proceeds from issuance of shares	-	62,080
Share issuance expenses	-	(3,302)
Dividend paid	(6,412)	(9,500)
Proceeds from loan and borrowings	1,256	-
Repayment of bankers's acceptance	-	(15,033)
Repayment of term loan	(794)	(760)
Repayment of advance against progressive claim	-	(3,283)
Repayment to hire purchase creditors	(2,515)	(1,541)
Net cash flows (used in)/from financing activities	<u>(8,416)</u>	<u>28,661</u>
Net (decrease)/increase in cash and cash equivalents	(25,708)	32,249
Effects of exchange rate changes on cash and cash equivalents	8	(56)
Cash and cash equivalents at beginning of financial period	<u>111,217</u>	<u>60,578</u>
Cash and cash equivalents at end of financial period	<u>85,517</u>	<u>92,771</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	85,517	92,771
Bank overdrafts (included within short term borrowings)	-	-
	<u>85,517</u>	<u>92,771</u>

Notes:

(1) The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying notes attached to the interim financial statements

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Changes in Equity
As at 30 September 2011

	Attributable to owners of the parent				Sub-Total	Non-controlling interest	Total Equity
	<----- Non-distributable ----->			Distributable			
	Share capital	Share premium	Foreign currency translation reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>YTD ended 30 September 2011</u>							
Balance At 1/1/2011	114,500	26,778	(4)	43,129	184,403	-	184,403
Total comprehensive income for the period	-	-	9	31,042	31,051	(1)	31,050
<u>Transactions with owner</u>							
Dividend payment (as detailed in Note A8)	-	-	-	(10,992)	(10,992)	-	(10,992)
Share issuance by a subsidiary to minority interest	-	-	-	-	-	47	47
At 30/9/2011	114,500	26,778	5	63,179	204,462	46	204,508
<u>YTD ended 30 September 2010 (2)</u>							
Balance At 1/1/2010	82,500	-	2	22,452	104,954	-	104,954
- Effect of adopting FRS 139	-	-	-	(1,802)	(1,802)	-	(1,802)
- As restated	82,500	0	2	20,650	103,152	-	103,152
Total comprehensive income for the period	-	-	(16)	26,575	26,559	-	26,559
<u>Transactions with owner</u>							
Dividend payment(as detailed in Note B13)	-	-	-	(14,080)	(14,080)	-	(14,080)
Issuance of new ordinary shares in conjunction with the initial public offering	32,000	30,080	-	-	62,080	-	62,080
Share issue expenses	0	(3,302)	-	-	(3,302)	-	(3,302)
At 30/9/2010	114,500	26,778	(14)	33,145	174,409	-	174,409

(1) The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying notes attached to the interim financial statements

(2) Save for the set off of merger deficit against retained earnings, these comparative figures have been extracted consistently from the interim financial report for the quarter ended 30 September 2010 announced to Bursa Malaysia Securities Berhad in prior year.

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”).

The interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2010.

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 in this interim financial report are consistent with those adopted in the Group’s audited financial statements for the financial year ended 31 December 2010, 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 2011:

FRS 1: First-time Adoption of Financial Reporting Standards
FRS 3: Business Combinations (revised)
FRS 127: Consolidated and Separate Financial Statements (revised)
Amendments to FRS 1: Limited Exemption for Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 2: Share-based Payment
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138: Intangible Assets
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 12: Service Concession Arrangements
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17: Distributions of Non-cash Assets to Owners
Amendments to FRS 7: Improving Disclosures about Financial Instruments
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
IC Interpretation 4: Determining whether an Arrangement contains a Lease
IC Interpretation 18: Transfers of Assets from Customers
TR 3: Guidance on Disclosures of Transition to IFRSs
TR i - 4: Shariah Compliant Sale Contracts

The adoption of the above FRSs, IC interpretations and Amendments do not have material impact on the financial statements of the Group.

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 2010.

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 financial year-to-date.

A6. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the financial year-to-date.

A7. Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial year-to-date.

A8. Dividend Paid

For the financial year-to-date:

- (i) the final single-tier dividend of 2.8 sen per share amounting to RM6.412 million in respect of the financial year ended 31 December 2010 was paid on 29 July 2011; and
- (ii) the first interim single-tier dividend of 2 sen per share amounting to RM4.58 million in respect of the financial year ending 31 December 2011 was paid on 21 October 2011.

A9. Segmental Information

The Group is organized into the following operating segments:-

- a) Construction
- b) Manufacturing of concrete products and trading of building materials
- c) Investment

The segment revenue and results for the financial period ended 30 September 2011:

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	Construction RM'000	Manufacturing & Trading RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External sales	423,591	35,769	723	0	460,083
Inter-segment sales	155	1,849	11,392	(13,396)	0
Total revenue	<u>423,746</u>	<u>37,618</u>	<u>12,115</u>	<u>(13,396)</u>	<u>460,083</u>
RESULTS					
Profit from operations	47,624	7,872	12,115	(11,387)	56,224
Other operating income					3,581
Selling and administrative expenses					(15,728)
Finance costs					<u>(1,938)</u>
Profit before tax					42,139
Income tax expense					<u>(11,098)</u>
Total Comprehensive income					<u>31,041</u>
Segment Assets	344,247	69,741	151,069	(123,217)	441,840
Segment Liabilities	211,918	33,310	8,894	(16,789)	237,333

A10. Valuation of property, plant and equipment

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

A11. Capital commitments

Capital commitment for property, plant and equipment not provided for as at 30 September 2011 are as follows:-

	RM'000
Approved and contracted for	<u>9,280</u>

A12. Property, Plant and Equipment

The Group acquired property, plant and equipment amounting to RM9.37 million, mainly incurred in the acquisition of plant & machinery during the financial year-to-date.

A13. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the current financial quarter up to 18 November 2011, being the latest practicable date (“LPD”) which is not earlier than 7 days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report.

A14. Changes in composition of the group

Kimlun Land Sdn Bhd (“KLLSB”), a wholly owned subsidiary of the Company, had on 28 January 2011 subscribed for fifty one thousand (51,000) ordinary shares of RM1.00 each, representing 51% of the total issued and paid-up share capital of Posh Atlantic Sdn Bhd (“PASB”) at par and for cash. Upon completion of the subscription, PASB become an indirect 51% subsidiary of the Company.

Save as disclosed above, there were no changes in the composition of the Group during the financial year-to-date.

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 financial year-to-date with related parties in which certain directors of the Company have substantial financial interest:-

Nature of Transactions	Transaction Value Based on Billings (RM'000)	Balance outstanding as at 30 September 2011 (RM'000)
Provision of construction services to a company in which the Company's director, Pang Tin @ Pang Yon Tin has substantial financial interest	7,810	1,498
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	16,186	8,984

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

The Group achieved revenues of RM159.93 million during the current quarter, which is 33.9% higher as compared to RM119.41 million registered in the previous year's corresponding quarter.

Profit after tax of the Group of RM9.78 million for the current quarter is RM1.38 million or 16.4% higher than the RM8.40 million achieved in the previous year's corresponding quarter.

For the current period, the Group achieved revenues of RM460.08 million, which is 22.8% higher as compared to RM374.62 million registered in the previous year's corresponding period. The profit after taxation of the Group of RM31.04 million for the period is 16.8% higher as compared to RM26.58 million for the previous year's corresponding period, in line with the growth in revenue.

The construction segment continued to be the main revenue contributor to the Group, attributing 92.8% and 92.1% of the current quarter's and period's revenue. For the current quarter, construction revenue improved by RM35.81 million, or 31.8%, compared to last year's corresponding quarter, whereas for the current period, construction revenue improved by RM73.18 million, or 20.9% as compared to previous year's corresponding period. The improvement in construction revenue was mainly due to the progress of few larger size projects, which were brought forward from the previous year, to more advance stage of construction.

For the current quarter, manufacturing and trading revenue declined marginally by RM0.48 million, or 3.9% from last year's corresponding quarter. For the current period, manufacturing and trading revenue improved by RM4.13 million, or 12.3% as compared to last year's corresponding period. The improvement in revenue in the current period was mainly due to the commencement of production for 2 new sales contracts for the supply of tunnel lining segments ("TLS") to the Singapore MRT Downtown Line 2 ("DTL2") projects while the production for another 2 DTL2 TLS sales contracts which commenced production last year continued in current period.

The Group's Gross Profit margin declined slightly from 12.6% in last year's quarter to 11.3% in the current quarter, and from 12.5% in last year's period to 12.2% in the current period, mainly due to higher material, fuel and labour costs experienced in the year. With the higher revenue achieved by the Group, the Gross Profit improved by RM3.07 million and RM9.29 million for the current year's quarter and period respectively.

Selling and administrative expenses increased in line with the Group's increasing business activities. Finance costs remained manageable and low relative to the Group's Earnings Before Interest and Taxation ("EBIT") as the Group has low borrowings and is currently in a net cash position. The EBIT/Finance Cost coverage ratio is 22.7 times for the period under review.

The Group experienced net operating cash outflow of RM11.78 million for the current period mainly due to:

- (a) higher level of construction activity and new projects commencing during the period. The Group will need to bear construction costs until a certain percentage or stage of completion before the Group can bill its customers, hence there will be temporary cash flow deficits when construction works escalate in a period; and
- (b) increase in TLS stocks holding pursuant to the terms and conditions specified in TLS sales contracts

Despite of the negative operating cash flow during the period, cash and cash equivalents of the Group stood at RM85.52 million as at 30 September 2011

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

The Group recorded a marginal decline in revenue of RM5.62 million or 3.4% in the current quarter as compared to the preceding quarter, attributable to lower construction and manufacturing activities during the Hari Raya festive season.

The profit after tax of the Group for the current quarter is RM1.92 million lower as compared to the preceding quarter mainly due to the following:

- (i) decline in revenue;
- (ii) higher finance costs incurred mainly attributable to higher utilization of bank borrowing to finance the operation of the Group;
- (iii) foreign exchange loss due to appreciation of Ringgit against Singapore dollar; and
- (iv) Higher repair and maintenance of plant and machinery incurred

B3. Current Year Prospects

The Board foresees 2011 as yet another challenging year for the Group in view of higher costs of materials and fuel. Prices of materials and fuel have escalated during the past few months due to various factors such as inflationary pressures, partial removal of government subsidies and high commodity prices.

However, the Board is optimistic that the construction sector will benefit from the favourable economic outlook of Malaysia and Singapore, the countries in which our Group has business presence. Malaysian economy is projected to grow by 5.0 to 6.0% in 2011, while The Ministry of Trade and Industry, Singapore, expects the Singapore economy to grow by 5.0 to 6.0% in 2011.

Malaysian Construction Sector

The sector is expected to benefit from the construction projects to be rolled out under the Tenth Malaysia Plan.

Malaysian Government has allocated RM230 billion for development expenditure under the 10th Malaysia Plan. Out of the RM230 billion development expenditure, RM138 billion or 60% is aimed to expand physical development to be undertaken by the construction sector.

Amongst few major projects going to roll out under the 10th Malaysia Plan which could benefit the Group in the medium to long term include:

(a) the construction of a high-capacity Mass Rapid Transit (MRT) system with a total length of about 150 km in Klang Valley at an estimated cost of RM 36 billion. Being one of the very few suppliers backed with strong track record in supplying tunnel lining segments to Singapore MRT projects, the Group is in the position to bid for the orders to supply tunnel lining segment to the Klang Valley MRT;

(b) the construction of affordable houses and public amenities such as hospitals and clinics. The Board believes that most, if not all of these projects will be constructed using IBS construction method having regards to the Malaysian Government's policy that the content of IBS components in every new government project is to be increased to no less than 70% with effect from 31 October 2008, save for certain exceptions. Being one of the very few contractors with IBS design capabilities backed by pre-cast concrete manufacturing plant, the Group is in the position to take advantage on the roll out of these projects.

Singapore Construction Sector

Singapore's construction demand for 2011 is projected to reach between SGD22 billion and SGD28 billion. This is a continuation of a sustained workload from last year's SGD25.7 billion worth of contracts awarded.

For 2011, public sector demand for construction is likely to contribute about 55% to the overall construction demand. The rebound is anticipated to mainly come from growth in public sector institutional construction demand as well as stronger public sector civil engineering construction demand led by Land Transport Authority (LTA)'s Downtown MRT Line Stage 3 contracts.

Tentatively, 5 rail and related works construction tenders are expected to be called by the relevant public sector agencies in 2011.

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 orders for pre-cast concrete products particularly for the supply of tunnel lining segments to Singapore and Klang Valley MRT projects.

Barring any unforeseen circumstances, the Board is confident that the Group's business will remain strong in 2011.

B4. Profit Forecast And Profit Estimate

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

B5. Taxation

	Current Quarter 3 months ended 30.09.2011 RM'000	Cumulative Quarter 9 months ended 30.09. 2011 RM'000
In respect of the current period		
- Income tax	3,266	10,580
- Deferred tax	226	467
	<u>3,492</u>	<u>11,047</u>
In respect of prior year		
- Income tax	0	(459)
- Deferred tax	0	510
	<u>3,492</u>	<u>11,098</u>

The effective tax rate was higher than the statutory rate applicable to the Group for the current quarter as certain expenses were disallowed for tax deduction under tax regulations.

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

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

B7. Purchase or Disposal of Quoted Securities

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

B8. Status of Corporate Proposals and Utilisation of Gross Proceeds

(a) The corporate proposal that has been announced by the Company but not completed as at the LPD is as follow:

- KLLSB had on 1 November 2011 entered into four Sale and Purchase Agreements (“SPAs”) with the respective Vendors on the purchase of nine parcels of freehold agriculture land in Mukim Setul, Daerah Seremban, Negeri Sembilan with collectively land area of approximately 17.266 hectares for a total cash consideration of RM27,361,387. The SPAs are expected to be completed in the first quarter of year 2012.

(b) The status of utilization of the gross proceeds from Public Issue as at LPD is as follows:

Description	Estimated timeframe for utilisation upon Listing	Proposed Utilisation	Actual Utilisation	Deviation		Explanation
		RM'000	RM'000	RM'000	%	
Construction of factories and purchase of plant and machinery	Within 24 months	35,900	11,897	24,003	66.9%	(1)
Purchase of a parcel of industrial land	Within 12 months	5,200*	5,187	13	0.3%	
Working capital	Within 24 months	16,980	16,653	327	1.9%	(1)
Estimated listing expenses	Immediate	4,000	4,086	(86)	(2.2%)	(2)
Total Proceeds		62,080	37,823	24,257		

Note:-

* Inclusive of estimated incidental cost of RM200,000.

(1) IPO proceeds will be utilized within the estimated timeframe. The Group does not expect any material deviation as at the date of this report.

(2) The total listing expenses was RM4.09 million. The deviation of RM0.09 million was financed via the funds generated internally by the Group.

B9. Group Borrowing and Debts Securities

The Group's borrowing and debts securities as at 30 September 2011 are as follows:

	RM'000
Long term borrowings	
<u>Secured:</u>	
Hire purchase creditors	1,058
Term loans	2,574
	<u>3,632</u>
Short term borrowings	
<u>Secured:</u>	
Hire purchase creditors	3,201
Bankers' acceptance	24,651
Term loans	1,122
	<u>28,974</u>

B10. Off Balance Sheet Financial Instruments

There were no material off balance sheet financial instruments as at the LPD.

B11. Material Litigation

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

B12. Realised and Unrealised Profits

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits below is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities.

	Group 30.09.2011 RM'000	Group 31.12.2010 RM'000
Total retained earnings		
- Realised	66,045	45,286
- Unrealised	<u>(2,439)</u>	<u>(1,726)</u>
	63,606	43,560
Less : Consolidation adjustments	<u>(427)</u>	<u>(431)</u>
Total Group retained earnings as per consolidated accounts	<u>63,179</u>	<u>43,129</u>

B13. Dividends

The Board of Directors does not recommend the payment of an interim dividend for the financial quarter ended 30 September 2011.

Total dividend declared during the current financial year-to-date was 4.8 sen per share, tax exempt under the single-tier tax system.

Total dividend declared during the previous year's corresponding period:

- (i) Prior to the completion of the acquisition of Kimlun Sdn Bhd ("KLSB") and SPC Industries Sdn Bhd ("SPC") by the Company on 10 May 2010, KLSB and 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. The dividends were paid on 8 May 2010.
- (ii) Dividend declared post completion of the acquisition of KLSB and SPC was 2.0 sen per share, tax exempt under the single-tier tax system.

B14. Earnings Per Share ("EPS")

Basic EPS are calculated by dividing the profit attributable to equity holder of the Group by the weighted average number of ordinary shares in issue during the financial period as follow:

	Current Quarter Ended		Year to-Date Ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Profit attributable to equity holder of the Group (RM'000)	9,782	8,398	31,042	26,575
Weighted average number of ordinary shares in issue ('000)	229,000	187,271 [^]	229,000	187,271 [^]
Basic earnings per share (RM)	0.043	0.045 [#]	0.136	0.142 [#]

The diluted earnings per share are not shown as there were no dilutive instruments as at balance sheet date.

[^]: Weighted average ordinary shares in issue

[#]: Had the EPS been computed based on enlarged ordinary shares in issue of 229 million shares, the EPS for preceding year quarter ended 30 September 2010 and preceding year to-date ended 30 September 2010 would be RM0.037 and RM0.116 respectively.