Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the Fourth Quarter Ended 31 December 2011

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/12/2011 RM'000	Preceeding Year Quarter (2) 31/12/2010 RM'000	Current Year To Date 31/12/2011 RM'000	Preceeding Year To Date (2) 31/12/2010 RM'000
Revenue	192,051	152,975	652,134	527,593
Cost of sales	(169,017)	(135,783)	(572,876)	(463,463)
Gross profit	23,034	17,192	79,258	64,130
Other income	1,091	1,020	4,672	3,907
Selling and administrative expenses	(6,779)	(5,309)	(22,507)	(17,176)
Finance costs	(1,192)	(796)	(3,130)	(2,927)
Profit before tax	16,154	12,107	58,293	47,934
Income tax expense	(4,518)	(2,123)	(15,616)	(11,375)
Profit net of tax	11,636	9,984	42,677	36,559
Other comprehensive income	(2)	11	7	(6)
Total comprehensive income for the period	11,634	9,995	42,684	36,553
Profit attributable to :				
Owners of the Company	11,671	9,984	42,713	36,559
Non-controlling interests	(35)	-	(36)	-
	11,636	9,984	42,677	36,559
Earnings Per Share (RM)				
- Basic (3)	0.05	0.05	0.19	0.18
- Diluted (3)	N/A	N/A	N/A	N/A
Total comprehensive income attributable to :				
Owners of the Company	11,669	9,995	42,720	36,553
Non-controlling interests	(35)	-	(36)	-
	11,634	9,995	42,684	36,553

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 31 December 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 31 December 2011

	Unaudited As at 31/12/2011 RM'000	Audited As at 31/12/2010 RM'000
Assets		
Non- current assets		
Property, plant and equipment	45,885	36,274
Investment properties	327	567
Other investments	90	90
	46,302	36,931
Current assets		
Properties held for sale	863	1,306
Development property	20,049	-
Inventories	12,486	5,854
Trade and other receivables	224,132	147,168
Other current assets	128,292	88,735
Cash and bank balances	81,653	111,217
	467,475	354,280
TOTAL ASSETS	513,777	391,211
EQUITY AND LIABILITIES		
Current liabilities		
Income tax payable	5,935	2,446
Loans and borrowings	51,003	26,706
Trade and other payables	212,365	163,333
Other current liability	10,796	8,110
	280,099	200,595
Net current assets	187,376	153,685
Non-current liabilities		
Loans and borrowings	14,022	4,403
Deferred tax liabilities	3,513	1,810
	17,535	6,213
TOTAL LIABILITIES	297,634	206,808
Net assets	216,143	184,403
Equity		
Share capital	114,500	114,500
Share premium	26,778	26,778
Translation reserve	4	(4)
Retained earnings	74,849	43,129
Equity attributable to owners of the Company	216,131	184,403
Non-controlling interests	12	-
Total equity	216,143	184,403
TOTAL EQUITY AND LIABILITIES	513,777	391,211
Net Assets Per Share Attributable to owners of the Company (RM)	0.94	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 Year Ended 31 December 2011

	Current Year To Date 31/12/2011 RM'000	Preceeding Year To Date 31/12/2010 RM'000
Operating activities		
Profit before tax	58,293	47,934
Adjustment for :		
Unrealised foreign exchange gain	(163)	(371)
Depreciation	6,596	5,082
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)	(44)
Transfer of fixed asset to Profit and Loss	1	-
Bad debts recovered	-	(172)
Impairment of intangible assets	2	-
Reversal of impairment loss	(186)	(40)
Interest expenses	1,924	1,887
Interest income	(1,175)	(978)
Operating cash flows before changes in working capital	64,924	53,323
Changes in working capital		
Development property	(20,049)	-
Inventories	(6,633)	7,105
Receivables	(114,993)	(41,876)
Payables	51,279	32,966
Cash flows from operations	(25,472)	51,518
Interest paid	(1,924)	(1,887)
Tax paid	(10,423)	(13,598)
Interest received	1,175	978
Net cash flows (used in)/from operating activities	(36,644)	37,011
Investing activities		
Purchase of property, plant and equipment	(12,390)	(20,882)
Proceeds from disposal of property, plant & equipment	310	90
Purchase of club membership	-	(50)
Net cash flows used in investing activities	(12,080)	(20,842)
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	(10,992)	(14,080)
Proceeds from loans and borrowings	30,160	-
Repayment of loans and borrowings	-	(8,001)
Repayment to hire purchase creditors	(3,476)	(2,205)
Net cash flows from financing activities	15,741	34,492
Net (decrease)/increase in cash and cash equivalents	(32,983)	50,661
Effects of exchange rate changes on cash and cash equivalents	7	(22)
Cash and cash equivalents at beginning of financial year	111,217	60,578
Cash and cash equivalents at end of financial year	78,241	111,217
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and bank balances	81,653	111,217
Bank overdrafts (included within short term borrowings)	(3,412)	-
	78,241	111,217

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 31 December 2011

	Attributable to owners of the parent						
	<---------------- Non-distributable	---------------->		Distributable			
	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Sub-Total	Non-controlling interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
YTD ended 31 December 2011							
Balance At 1/1/2011	114,500	26,778	(4)	43,129	184,403	-	184,403
Total comprehensive income for the year	-	-	8	42,712	42,720	(35)	42,685
Transactions with owner							
Dividend payment (as detailed in Note A8)	-	-	-	(10,992)	(10,992)	-	(10,992)
Share issuance by a subsidiary to minority interest	-	-	-	-	-	47	47
At 31/12/2011	114,500	26,778	4	74,849	216,131	12	216,143
YTD ended 31 December 2010 (2)							
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 year	-	-	(6)	36,559	36,553	-	36,553
Transactions with owner							
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 31/12/2010	114,500	26,778	(4)	43,129	184,403	-	184,403

(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 31 December 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 FRS138: 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) Property development and investment

The segment revenue and results for the financial period ended 31 December 2011:

	Construction	Manufacturing & Trading	Property development & Investment	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External sales	601,955	49,239	940	0	652,134
Inter-segment sales	296	2,430	11,452	(14,178)	0
Total revenue	602,251	51,669	12,392	(14,178)	652,134
RESULTS					
Profit from operations	67,074	11,245	12,393	(11,454)	79,258
Other operating income					4,672
Selling and administrative expenses					(22,507)
Finance costs					(3,130)
Profit before tax					58,293
Income tax expense					(15,616)
Total Comprehensive income					42,677
Segment Assets	390,685	78,734	164,706	(120,348)	513,777
Segment Liabilities	247,130	39,223	22,697	(11,414)	297,636

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 31 December 2011 are as follows:-

	RM'000
Approved and contracted for	4,750

A12. Property, Plant and Equipment

The Group acquired property, plant and equipment amounting to RM16.21 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 20 February 2012, 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 31 December 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	9,529	1,719
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	20,860	7,881

NOTES TO REPORT

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

B1. Operating Segments Review

(a) Quarter 4 Financial Year Ended 31 December ("FY") 2011 vs Quarter 4 FY2010

The Group achieved revenues of RM192.05 million during the current quarter, which is 25.5% higher as compared to RM152.98 million registered in the previous year's corresponding quarter.

Profit after tax of the Group of RM11.64 million for the current quarter is RM1.66 million or 16.6% higher than the RM9.98 million achieved in the previous year's corresponding quarter.

(b) FY2011 vs FY2010

For the current period, the Group achieved revenues of RM652.13 million, which is 23.6% higher as compared to RM527.59 million registered in the previous year's corresponding period. Profit after taxation of the Group of RM42.68 million for the period is 16.7% higher as compared to RM36.56 million for the previous year's corresponding period, in line with the growth in revenue.

(c) Performance review

The construction division continued to be the main revenue contributor to the Group, attributing 92.9**%** and 92.3% of the current quarter's and period's revenue. For the current quarter, construction revenue improved by RM35.15 million, or 24.5%, compared to last year's corresponding quarter, whereas for FY2011, construction revenue improved by RM108.33 million, or 21.9% as compared to FY2010. The improvement in construction revenue in the current quarter was mainly due to the progress of few larger size projects which commenced construction during the current quarter. Construction revenue improved in FY2011 as the Group's projects in hand that were secured in previous years advances in percentage of completion, and new projects secured in FY2011 started to contribute to revenue.

For the current quarter, manufacturing and trading revenue declined marginally by RM1.79 million, or 11.3% from last year's corresponding quarter. For FY2011, manufacturing and trading revenue improved by RM2.34 million, or 4.7% as compared to FY2010. The manufacturing and trading revenue was higher in last year's corresponding quarter mainly due to the escalation of production and sales in relation to a tunnel lining segments ("TLS") order during the said quarter. The improvement in revenue in FY2011 was mainly due to the commencement of production for 2 new sales contracts for the supply of TLS to the Singapore MRT Downtown Line ("DTL") projects while the production for another few DTL TLS sales contracts which commenced production last year continued in current period.

For the current quarter, revenue of the property development and investment division were derived from interest income received from other divisions and interest income generated from deposits placed with financial institutions. For FY2011, revenue of the property development and investment division were derived from dividend and interest income received from other divisions, and interest income generated from deposits placed with financial institutions. No revenue was generated from property development activity as the Group has yet to commence development activities on its land bank.

The Group's gross profit margin improved slightly from 11.2% in last year's corresponding quarter to 12.0% in the current quarter, and the Group's gross profit in FY2011 approximate that of FY2010 at 12.2%. With the higher revenue achieved by the Group, the gross profit improved by RM5.84 million and RM15.13 million for the current year's quarter and period respectively.

Selling and administrative expenses increased in line with the Group's increasing business activities.

(d) Group Cashflow Review
The Group experienced net operating cash outflow of RM36.64 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;

(b) increase in TLS stocks holding pursuant to the terms and conditions specified in TLS sales contracts; and

(c) the acquisition of few parcels of land at total purchase consideration of RM18.02 million and deposit paid for the acquisition of few other parcels of land of RM2.74 million. These land are for future property development purposes,

Despite of the negative operating cash flow during the period, cash and cash equivalents of the Group stood at RM78.24 million as at 31 December 2011.

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

The Group recorded a 20.1% or RM32.12 million growth in revenue in the current quarter as compared to the preceding quarter, attributable to:

(a) commencement of construction of few larger size projects during the current financial quarter;
(b) lower construction and manufacturing activities during the Hari Raya festive season in the preceding quarter.

The Profit After Taxation of the Group for the current quarter rose by 19.0% or RM1.85 million as compared to the preceding quarter in line with the growth in revenue.

B3. Prospects For 2012

The Board foresees 2012 as an exciting year for the Group with likely growth in both construction and manufacturing and trading divisions on the back of estimated balance order book of approximately RM1.2 billion collectively as at 31 December 2011. The Board is optimistic that the construction sector of Malaysia and Singapore will continue to be vibrant in 2012, thus offering opportunities for the Group to bid for further construction projects and pre-cast components sales orders.

Malaysian Construction Sector

The sector is projected to grow strongly by 7% in 2012 driven by the commencement of large infrastructure projects and vibrant housing construction activities. It 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 to be rolled 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 system with a total length of about 150 km in Klang Valley (“KVMRT”) at an estimated cost of RM 36 billion. The Group expects progressive awards of various contract packages for construction works including the tunneling portion to take place in 2012.

In February 2012, Mass Rapid Transit Corporation Sdn. Bhd. appointed SPC Industries Sdn Bhd (“SPC”), a wholly owned subsidiary of the Company as the designated supplier for the supply of segmental box girders to certain packages of the KVMRT project for RM223 Million over the period of approximately 40 months.

Being one of the very few suppliers backed with strong track record in supplying TLS to Singapore MRT projects, SPC has also submitted its bid to supply TLS to the KVMRT. The outcome of the bid is still pending.

(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.

The residential sub-sector is expected to expand further supported by stronger demand for housing in line with improving household income, accommodative financing and the Malaysian Government’s continuous support for home ownership.

Singapore Construction Sector

Singapore’s construction demand for 2012 is projected to reach between SGD21 billion and SGD27 billion as compared to $32 billion in 2011. For 2012, about 60% of the demand is expected to come from the public sector. The support is expected to come from the continued strong public housing developments, as well as construction demand for institutional building and civil engineering projects. The total construction output is projected to rise to between $29 billion and $31 billion in 2012 from $27 billion in 2011.

One of the major projects which may benefit SPC, as a supplier of TLS is the construction of an extra-high-voltage underground power transmission network which comprises a 35 km cable tunnel ("Underground Cable Tunnel").

The Group will continue to bid actively for construction projects and orders for pre-cast concrete products particularly for the supply of TLS to Underground Cable Tunnel, Singapore MRT and KVMRT projects.

Though the construction industry in both Malaysia and Singapore continues to grow in 2012, the Group expects its profit margin to experience downward pressure arising from the following:

(i) the engagement of more services from specialists contractors and sub-contractors nominated by its clients to meet the requirements of some of the projects in hand;
(ii) set up costs and trial run costs of the new pre-cast components factory ("New Factory") to be constructed in Negeri Sembilan in 2012 to cater mainly for Klang Valley market; and
(iii) higher financing costs arising from the expected higher utilization of bank borrowings to meet the working capital requirements of higher level of operation, capital expenditure to acquire plant and machinery and to acquire a parcel of industrial land on which the New Factory will be erected thereon.

The key challenges/risks for the Group include potential higher costs of materials and shortage in supply of labour. Prices of materials may escalate further due to various factors such as inflationary pressures, high commodity prices and potential higher demand for raw materials consequential upon the progressive roll-out of large projects under the Economic Transformation Programme and the Tenth Malaysia Plan.

As for its property development division, the Group expects to launch its maiden SOHO and offices property development project in Cyberjaya, Selangor in the third quarter of this year. Revenue from the property development division is not expected to be significant this year in view of the timing of launching and expected low completion stage as at end of year 2012.

Barring any unforeseen circumstances, the Board is confident that the Group's business will further improve in 2012.

B4. Profit Forecast And Profit Estimate

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

B5. Profit Before Tax

The following items have been included in arriving at profit before tax:

		Current Quarter 3 months ended 31.12.2011 RM'000	Cumulative Quarter 12 months ended 31.12. 2011 RM'000
(a)	interest income	984	3,709
(b)	other income including investment income	107	903
(c)	interest expense	1,192	3,130
(d)	depreciation and amortization	1,780	6,596
(e)	provision for and write off of receivables	0	0
(f)	provision for and write off of inventories	0	0
(g)	gain or loss on disposal of quoted or unquoted investments or properties	0	60
(h)	impairment of assets	0	2
(i)	foreign exchange (gain) or loss	273	340
(j)	gain or loss on derivatives	0	0
(k)	exceptional items	0	0

B6. Taxation

	Current Quarter 3 months ended 31.12.2011 RM'000	Cumulative Quarter 12 months ended 31.12. 2011 RM'000
In respect of the current period		
- Income tax	3,794	14,374
- Deferred tax	595	1,061
	4,389	15,435
In respect of prior year		
- Income tax	(4)	(462)
- Deferred tax	133	643
	4,518	15,616

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.

B7. 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:

- SPC had on 26 January 2012 entered into a Sale and Purchase Agreement ("SPA") with CIMB Bank Berhad for the purchase of a parcel of leasehold industrial land in Mukim Rantau, District of Seremban, Negeri Sembilan with land area as endorsed on the document of title of approximately 56.3 hectares for a total cash consideration of RM15,500,000. The SPA is expected to be completed by the third 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 RM'000	Actual Utilisation RM'000	Deviation RM'000	Deviation %	Explanation
Construction of factories and purchase of plant and machinery	Within 33^ months	31,540^	15,845	15,695	49.8%	(1)
Purchase of a parcel of industrial land	Within 12 months	5,200*	5,200	0	0%	(3)
Working capital	Within 33 Months^	21,340^	21,340	0	0%	
Estimated listing expenses	Immediate	4,000	4,000	0	0%	(2)
Total Proceeds		62,080	46,385	15,695		

Note:-

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

^ *Revised per the Company's announcement on 21 December 2011*

(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.

(3) The total amount incurred on the purchase of the industrial land was RM5.19 million. The unutilised balance of RM0.01 million was used for working capital of the Group.

B8. Group Borrowing and Debts Securities

The Group's borrowing and debts securities as at 31 December 2011 are as follows:

	RM'000
Long term borrowings	
Secured:	
Hire purchase creditors	741
Term loans	13,281
	14,022
Short term borrowings	
Secured:	
Bank overdraft	3,412
Hire purchase creditors	2,827
Bankers' acceptance	43,622
Term loans	1,142
	51,003

B9. Material Litigation

There was no material litigation as at the LPD.

B10. 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 31.12.2011 RM'000	**Group 31.12.2010 RM'000**
Total retained earnings		
- Realised	78,529	45,286
- Unrealised	(3,247)	(1,726)
	75,282	43,560
Less : Consolidation adjustments	(433)	(431)
Total Group retained earnings as per consolidated accounts	74,849	43,129

B11. Dividends

The Board of Directors recommend the payment of a final single-tier dividend of 3.1 sen per share amounting to RM7.099 million in respect of the financial year ended 31 December 2011 which is subject to the approval of the members at the forthcoming Annual General Meeting.

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.

B12. 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**	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Profit attributable to equity holder of the Group (RM'000)	11,671	9,984	42,713	36,559
Weighted average number of ordinary shares in issue ('000)	229,000	197,789^	229,000	197,789^
Basic earnings per share (RM)	0.051	0.050#	0.187	0.185#

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 31 December 2010 and preceding year to-date ended 31 December 2010 would be RM0.044 and RM0.160 respectively.