

Kimlun Corporation Berhad  
(Company No: 867077-X)  
Unaudited Condensed Consolidated Statement of Comprehensive Income  
For the First Quarter Ended 31 March 2012

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/3/2012 RM'000	Preceding Year Quarter (2) 31/3/2011 RM'000	Current Year To Date 31/3/2012 RM'000	Preceding Year To Date (2) 31/3/2011 RM'000
<b>Revenue</b>	198,347	134,609	198,347	134,609
Cost of sales	(178,146)	(116,757)	(178,146)	(116,757)
<b>Gross profit</b>	20,201	17,852	20,201	17,852
Other income	1,258	1,044	1,258	1,044
Selling and administrative expenses	(6,394)	(5,289)	(6,394)	(5,289)
Finance costs	(1,038)	(623)	(1,038)	(623)
<b>Profit before tax</b>	14,027	12,984	14,027	12,984
Income tax expense	(3,434)	(3,426)	(3,434)	(3,426)
<b>Profit net of tax</b>	10,593	9,558	10,593	9,558
<b>Other comprehensive income</b>	(4)	-	(4)	-
<b>Total comprehensive income for the period</b>	<u>10,589</u>	<u>9,558</u>	<u>10,589</u>	<u>9,558</u>
<b>Profit attributable to :</b>				
Owners of the Company	10,613	9,558	10,613	9,558
Non-controlling interests	(20)	-	(20)	-
	<u>10,593</u>	<u>9,558</u>	<u>10,593</u>	<u>9,558</u>
<b>Earnings Per Share (RM)</b>				
- Basic (3)	0.05	0.04	0.05	0.04
- Diluted (3)	N/A	N/A	N/A	N/A
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	10,609	9,558	10,609	9,558
Non-controlling interests	(20)	-	(20)	-
	<u>10,589</u>	<u>9,558</u>	<u>10,589</u>	<u>9,558</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 2011 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 March 2011 announced to Bursa Malaysia Securities Berhad in prior year.
- (3) Please refer to Note B12 for details.

Kimlun Corporation Berhad  
(Company No: 867077-X)  
Unaudited Condensed Consolidated Statements of Financial Position  
As at 31 March 2012

	Unaudited As at 31/3/2012 RM'000	Audited As at 31/12/2011 RM'000
<b>Assets</b>		
<b>Non- current assets</b>		
Property, plant and equipment	51,350	45,885
Investment properties	327	327
Other investments	90	90
	<u>51,767</u>	<u>46,302</u>
<b>Current assets</b>		
Properties held for sale	911	863
Development property	47,988	20,049
Inventories	14,012	12,487
Trade and other receivables	220,455	224,262
Other current assets	164,107	128,293
Cash and bank balances	70,145	81,653
	<u>517,618</u>	<u>467,607</u>
<b>TOTAL ASSETS</b>	<u><u>569,385</u></u>	<u><u>513,909</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Income tax payable	6,644	5,935
Loans and borrowings	54,971	51,004
Trade and other payables	219,521	212,496
Other current liability	9,333	10,796
	<u>290,469</u>	<u>280,231</u>
<b>Net current assets</b>	<u>227,149</u>	<u>187,376</u>
<b>Non-current liabilities</b>		
Loans and borrowings	32,088	14,022
Deferred tax liabilities	3,352	3,514
	<u>35,440</u>	<u>17,536</u>
<b>TOTAL LIABILITIES</b>	<u>325,909</u>	<u>297,767</u>
<b>Net assets</b>	<u>243,476</u>	<u>216,142</u>
<b>Equity</b>		
Share capital	120,225	114,500
Share premium	37,798	26,778
Translation reserve	(1)	3
Retained earnings	85,462	74,849
<b>Equity attributable to owners of the Company</b>	<u>243,484</u>	<u>216,130</u>
Non-controlling interests	(8)	12
<b>Total equity</b>	<u>243,476</u>	<u>216,142</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>569,385</u></u>	<u><u>513,909</u></u>
Net Assets Per Share Attributable to owners of the Company (RM)	1.01	0.94

**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 2011 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 31 March 2012**

	<b>Current Year To Date 31/3/2012 RM'000</b>	<b>Preceding Year To Date 31/3/2011 RM'000</b>
<b>Operating activities</b>		
Profit before tax	14,027	12,984
Adjustment for :		
Unrealised foreign exchange (gain)/loss	(180)	7
Depreciation	1,782	1,520
Gain on disposal of property, plant and equipment	(66)	(1)
Transfer of fixed asset to Profit and Loss	56	-
Interest expenses	649	348
Interest income	(241)	(332)
Operating cash flows before changes in working capital	16,027	14,526
<b><u>Changes in workng capital</u></b>		
Development property	(27,939)	-
Inventories	(1,525)	(1,718)
Receivables	3,636	7,984
Other current assets	(35,592)	1,788
Payables	7,050	(13,482)
Other current liabilities	(1,464)	3,167
Cash flows (used in)/from operations	(39,807)	12,265
Interest paid	(649)	(348)
Tax paid	(2,886)	(3,222)
Interest received	241	332
Net cash flows (used in)/from operating activities	(43,101)	9,027
<b>Investing activities</b>		
Purchase of property, plant and equipment	(7,303)	(1,173)
Proceeds from disposal of property, plant & equipment	66	3
Net cash flows used in investing activities	(7,237)	(1,170)
<b>Financing activities</b>		
Proceeds from issuance of shares by a subsidiary to minority interest	-	49
Proceeds from issuance of shares	17,175	-
Share issuance expenses	(430)	-
Proceeds from loans and borrowings	23,734	-
Repayment of loans and borrowings	-	(6,471)
Repayment to hire purchase creditors	(883)	(855)
Net cash flows from/(used in) financing activities	39,596	(7,277)
Net (decrease)/increase in cash and cash equivalents	(10,742)	580
Effects of exchange rate changes on cash and cash equivalents	34	-
Cash and cash equivalents at beginning of financial year	78,241	111,217
Cash and cash equivalents at end of financial year	67,533	111,797
<b>Cash and cash equivalents at the end of the financial year comprise the following:</b>		
Cash and bank balances	70,145	111,797
Bank overdrafts (included within short term borrowings)	(2,612)	-
	67,533	111,797

**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 2011 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 March 2012

	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
<b><u>YTD ended 31 March 2012</u></b>							
Balance At 1/1/2012	114,500	26,778	3	74,849	216,130	12	216,142
Total comprehensive income for the period	-	-	(4)	10,613	10,609	(20)	10,589
<b><u>Transactions with owner</u></b>							
Issuance of ordinary shares pursuant to private placement (as detailed in Note A7)	5,725	11,450	-	-	17,175	-	17,175
Share issue expenses	-	(430)	-	-	(430)	-	(430)
<b>At 31/3/2012</b>	<b>120,225</b>	<b>37,798</b>	<b>(1)</b>	<b>85,462</b>	<b>243,484</b>	<b>(8)</b>	<b>243,476</b>
<b><u>YTD ended 31 March 2011 (2)</u></b>							
Balance At 1/1/2011	114,500	26,778	(4)	43,129	184,403	-	184,403
Total comprehensive income for the period	-	-	-	9,558	9,558	-	9,558
<b><u>Transactions with owner</u></b>							
Share issuance by a subsidiary to minority interest	-	-	-	-	-	47	47
<b>At 31/3/2011</b>	<b>114,500</b>	<b>26,778</b>	<b>(4)</b>	<b>52,687</b>	<b>193,961</b>	<b>47</b>	<b>194,008</b>

(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 2011 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 March 2011 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 2011.

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 2011, 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 2012:

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments  
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement  
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters  
Amendments to FRS 7: Transfers of Financial Assets  
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets  
FRS 124: Related Party Disclosures

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

The Group has not adopted the Malaysian Financial Reporting Standards (MFRS) in this interim financial report as the Group falls within the scope of IC Interpretation 15 Agreements for Construction of Real Estate, thereby the adoption of the MFRS will be deferred to annual periods beginning 1 January 2013.

#### 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 year ended 31 December 2011.

**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 except for the issuance of 11,450,000 new ordinary shares of RM0.50 each pursuant to a private placement exercise at an issue price of RM1.50 per ordinary share ("Private Placement") which was completed on 14 March 2012.

**A8. Dividend Paid**

There was no payment of dividend during the financial year-to-date.

**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 March 2012:

**KIMLUN CORPORATION BERHAD (867077-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012**

	Construction RM'000	Manufacturing & Trading RM'000	Property development & Investment RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External sales	180,470	17,691	186	0	198,347
Inter-segment sales	0	413	118	(531)	0
Total revenue	<u>180,470</u>	<u>18,104</u>	<u>304</u>	<u>(531)</u>	<u>198,347</u>
<b>RESULTS</b>					
Profit from operations	15,446	4,560	304	(109)	20,201
Other operating income					1,258
Selling and administrative expenses					(6,394)
Finance costs					<u>(1,038)</u>
Profit before tax					14,027
Income tax expense					<u>(3,434)</u>
<b>Profit net of tax</b>					<u>10,593</u>
<b>Segment Assets</b>	408,290	88,899	207,095	(134,899)	569,385
<b>Segment Liabilities</b>	255,488	47,973	48,422	(25,974)	325,909

**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 March 2012 are as follows:-

	RM'000
Approved and contracted for	<u>9,188</u>

**A12. Property, Plant and Equipment**

The Group acquired property, plant and equipment amounting to RM7.30 million, mainly incurred in the acquisition of plant & machinery for its subsidiary, SPC Industries Sdn Bhd's hollow core slab plant during the financial period-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 22 May 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**

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 March 2012 (RM'000)
Provision of construction services to a company in which the Company's director, Pang Tin @ Pang Yon Tin has substantial financial interest	1,364	1,364
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	6,859	9,741



## 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 1 Financial Year Ending 31 December (“FY”) 2012 vs Quarter 1 FY2011

The Group achieved revenues of RM198.35 million during the current quarter, which is 47.4% higher as compared to RM134.61 million registered in the previous year’s corresponding quarter.

Profit after tax of the Group of RM10.59 million for the current quarter is RM1.03 million or 10.8% higher than the RM9.56 million achieved in the previous year’s corresponding quarter.

##### (b) Performance review

The construction division continued to be the main revenue contributor to the Group, attributing 91.0% of the current quarter’s revenue. For the current quarter, construction revenue improved by RM58.41 million, or 47.9%, compared to last year’s corresponding quarter. The improvement in construction revenue in the current quarter was mainly due to greater amount of balance orders in hand carried forward from FY2011 for execution mainly in FY2012 vis-à-vis the amount of balance order in hand carried forward from FY2010 for execution mainly in FY2011.

For the current quarter, manufacturing and trading revenue improved by RM5.06 million, or 38.8% from last year’s corresponding quarter mainly due to the increase in revenue from the sales of tunnel lining segments (“TLS”) and jacking pipes to Singapore.

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. No revenue was generated from property development as the Group has yet to launch its development project.

The Group’s gross profit margin declined from 13.3% in last year’s corresponding quarter to 10.2% in the current quarter due to lower gross profit margin derived by the construction division while the gross profit margin of manufacturing and trading division improved slightly in the current quarter. The construction division derived lower gross profit margin in the current quarter mainly due to larger proportion of lower gross profit projects being carried out during the current quarter. Despite the lower gross profit margin, gross profit of the Group for the current period rose by RM2.4 million, or 13.7%, compared to last year’s corresponding quarter on the back of higher revenue achieved by the Group.

Selling and administrative expenses, finance costs increased in line with the Group’s increasing business activities.

(c) Group Cashflow Review

The Group experienced net operating cash outflow of RM43.10 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) the payment of balance purchase consideration and incidental costs totalling RM27.49 million in relation to the acquisition of few parcels of land for future property development purposes,

Despite of the negative operating cash flow during the period, cash and cash equivalents of the Group stood at RM67.53 million as at 31 March 2012.

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

The Group recorded a 3.3% or RM6.30 million growth in revenue in the current quarter as compared to the preceding quarter, mainly attributable to increases in revenue achieved by the manufacturing and trading division by RM4.2 million, The increase in revenue from manufacturing and trading division was mainly attributable to increased in sales of TLS and jacking pipes to Singapore.

The Group's gross profit margin declined from 12.0% in the preceding quarter to 10.2% in the current quarter mainly due to lower gross profit margin derived by the construction division in the current quarter. Consequential upon the lower gross profit margin, gross profit and profit after taxation of the Group for the current period declined by RM2.83 million and RM1.04 million respectively compared to the preceding quarter.

**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 RM1.69 billion collectively as at 31 March 2012. 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:

	<b>Current Quarter 3 months ended 31.03.2012 RM'000</b>	<b>Cumulative Quarter 3 months ended 31.03. 2012 RM'000</b>
(a) interest income	1,070	1,070
(b) other income including investment income	122	122
(c) interest expense	1,038	1,038
(d) depreciation and amortization	1,387	1,387
(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	66	66
(h) impairment of assets	0	0
(i) foreign exchange (gain) or loss	173	173
(j) gain or loss on derivatives	0	0
(k) exceptional items	0	0

**B6. Taxation**

	<b>Current Quarter 3 months ended 31.03.2012 RM'000</b>	<b>Cumulative Quarter 3 months ended 31.03.2012 RM'000</b>
In respect of the current period		
- Income tax	3,596	3,596
- Deferred tax	(162)	(162)
	3,434	3,434
In respect of prior year		
- Income tax	0	0
- Deferred tax	0	0
	3,434	3,434

The effective tax rate was slightly lower than the statutory rate applicable to the Group for the current quarter mainly due to the eligibility of SPC to certain tax incentives.

**B7. Status of Corporate Proposals and Utilisation of Gross Proceeds**

(a) There is no corporate proposal that has been announced by the Company but not completed as at the LPD.

(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		Explanation
				RM'000	%	
Construction of factories and purchase of plant and machinery	Within 33 <sup>^</sup> months	31,540 <sup>^</sup>	17,379	14,161	44.9%	(1)
Purchase of a parcel of industrial land	Within 12 months	5,200 <sup>*</sup>	5,200	0	0%	(3)
Working capital	Within 33 Months <sup>^</sup>	21,340 <sup>^</sup>	21,340	0	0%	
Estimated listing expenses	Immediate	4,000	4,000	0	0%	(2)
Total Proceeds		62,080	47,919	14,161		

**Note:-**

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

<sup>^</sup> 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.

KIMLUN CORPORATION BERHAD (867077-X)  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012

- (c) The status of utilization of the gross proceeds from the Private Placement as at LPD is as follows:

Description	Estimated timeframe for utilisation from the receipt of the proceeds	Proposed Utilisation	Actual Utilisation	Deviation		Explanation
		RM'000	RM'000	RM'000	%	
Development and incidental expenditure of the Group's existing land bank	Within 18 months	13,000	605	12,395	95.3%	(4)
Purchase of a parcel of industrial land	Within 12 months	2,800	2,800	0	0%	
Working capital	Within 18 Months	935	935	0	0%	
Expenses incidental to the Private Placement	Within 1 month	440	440	0	0%	
Total Proceeds		17,175	4,780	12,395		

**Note:-**

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

**B8. Group Borrowing and Debts Securities**

The Group's borrowing and debts securities as at 31 March 2012 are as follows:

	RM'000
<b>Long term borrowings</b>	
<u>Secured:</u>	
Hire purchase creditors	480
Term loans	31,608
	<u>32,088</u>
<b>Short term borrowings</b>	
<u>Secured:</u>	
Bank overdraft	2,612
Hire purchase creditors	2,203
Bankers' acceptance	48,816
Term loans	1,340
	<u>54,971</u>

**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.

	<b>Group 31.03.2012 RM'000</b>	<b>Group 31.12.2011 RM'000</b>
Total retained earnings		
- Realised	88,823	78,529
- Unrealised	<u>(2,936)</u>	<u>(3,247)</u>
	85,887	75,282
Less : Consolidation adjustments	<u>(425)</u>	<u>(433)</u>
Total Group retained earnings as per consolidated accounts	<u>85,462</u>	<u>74,849</u>



**B11. Dividends**

The Board of Directors does not recommend the payment of an interim dividend for the financial quarter ended 31 March 2012. However, the Board of Directors recommended the payment of a final single-tier dividend of 3.1 sen per share in respect of the financial year ended 31 December 2011 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

This dividend, if approved by the shareholders, will be payable to shareholders of the Company on 3 August 2012 and will be accounted for in equity as an appropriation of retained profits for the financial year ending 31 December 2012.

No dividend was declared in the previous year's corresponding quarter.

**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	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Profit attributable to equity holder of the Group (RM'000)	10,613	9,558	10,613	9,558
Weighted average number of ordinary shares in issue ('000)	231,894 <sup>^</sup>	229,000	231,894 <sup>^</sup>	229,000
Basic earnings per share (RM)	0.05	0.04 <sup>#</sup>	0.05	0.04 <sup>#</sup>

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

<sup>^</sup>: Weighted average ordinary shares in issue

<sup>#</sup>: Had the EPS been computed based on the weighted average number of ordinary shares in issue of 231.9 million shares, the EPS for preceding year quarter ended 31 March 2011 and preceding year to-date ended 31 March 2011 would be RM0.041 and RM0.041 respectively.