Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the First Quarter Ended 31 March 2013

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/03/2013 RM'000	**Preceeding Year Quarter (2) 31/03/2012 RM'000**	**Current Year To Date 31/03/2013 RM'000**	**Preceeding Year To Date (2) 31/03/2012 RM'000**
Revenue	214,403	198,347	214,403	198,347
Cost of sales	(192,309)	(178,146)	(192,309)	(178,146)
Gross profit	22,094	20,201	22,094	20,201
Other income	1,283	1,258	1,283	1,258
Selling and administrative expenses	(9,147)	(6,394)	(9,147)	(6,394)
Finance costs	(2,415)	(1,038)	(2,415)	(1,038)
Profit before tax	11,815	14,027	11,815	14,027
Income tax expense	(2,929)	(3,434)	(2,929)	(3,434)
Profit net of tax	8,886	10,593	8,886	10,593
Other comprehensive income	-	(4)	-	(4)
Total comprehensive income for the period	8,886	10,589	8,886	10,589
Profit attributable to :				
Owners of the Company	8,955	10,613	8,955	10,613
Non-controlling interests	(69)	(20)	(69)	(20)
	8,886	10,593	8,886	10,593
Earnings Per Share (RM)				
- Basic (3)	0.04	0.05	0.04	0.05
- Diluted (3)	N/A	N/A	N/A	N/A
Total comprehensive income attributable to :				
Owners of the Company	8,955	10,609	8,955	10,609
Non-controlling interests	(69)	(20)	(69)	(20)
	8,886	10,589	8,886	10,589

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 2012 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 2012 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 2013

	Unaudited As at 31/03/2013 RM'000	Audited As at 31/12/2012 RM'000
Assets		
Non- current assets		
Property, plant and equipment	137,590	128,275
Investment properties	327	327
Other investments	90	90
	138,007	128,692
Current assets		
Properties held for sale	850	850
Property Development costs	51,879	50,399
Inventories	26,809	22,153
Trade and other receivables	296,026	307,380
Other current assets	191,310	178,930
Cash and bank balances	28,656	44,727
	595,530	604,439
TOTAL ASSETS	733,537	733,131
EQUITY AND LIABILITIES		
Current liabilities		
Income tax payable	1,364	2,368
Loans and borrowings	119,385	103,780
Trade and other payables	252,065	269,145
Other current liability	5,471	15,327
	378,285	390,620
Net current assets	217,245	213,819
Non-current liabilities		
Loans and borrowings	70,174	66,052
Deferred tax liabilities	932	1,199
	71,106	67,251
TOTAL LIABILITIES	449,391	457,871
Net assets	284,146	275,260
Equity		
Share capital	120,225	120,225
Share premium	37,798	37,798
Translation reserve	4	4
Retained earnings	125,851	116,896
Equity attributable to owners of the Company	283,878	274,923
Non-controlling interests	268	337
Total equity	284,146	275,260
TOTAL EQUITY AND LIABILITIES	733,537	733,131
Net Assets Per Share Attributable to owners of the Company (RM)	1.18	1.14

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 2012 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 2013

	Current Year To Date 31/03/2013 RM'000	Preceeding Year To Date 31/03/2012 RM'000
Operating activities		
Profit before tax	11,815	14,027
Adjustment for :		
Unrealised foreign exchange loss/(gain)	120	(180)
Depreciation	4,225	1,782
Gain on disposal of property, plant and equipment	(2)	(66)
Transfer of fixed asset to Profit and Loss	-	56
Interest expenses	1,902	649
Interest income	(165)	(241)
Operating cash flows before changes in working capital	17,895	16,027
Changes in working capital		
Development property	(1,480)	(27,939)
Inventories	(4,656)	(1,525)
Receivables	11,034	3,636
Other current assets	(9,970)	(35,592)
Payables	(19,341)	7,050
Other current liabilities	(9,856)	(1,464)
Cash flows used in operations	(16,374)	(39,807)
Interest paid	(1,902)	(649)
Tax paid	(4,201)	(2,886)
Interest received	165	241
Net cash flows used in operating activities	(22,312)	(43,101)
Investing activities		
Purchase of property, plant and equipment	(11,022)	(7,303)
Proceeds from disposal of property, plant & equipment	7	66
Net cash flows used in investing activities	(11,015)	(7,237)
Financing activities		
Proceeds from issuance of shares	-	17,175
Share issuance expenses	-	(430)
Proceeds from loans and borrowings	10,358	23,734
Repayment of of advance against progresive claims	(963)	-
Repayment to hire purchase creditors	(1,234)	(883)
Net cash flows from financing activities	8,161	39,596
Net decrease in cash and cash equivalents	(25,166)	(10,742)
Effects of exchange rate changes on cash and cash equivalents	39	34
Cash and cash equivalents at beginning of financial period	34,034	78,241
Cash and cash equivalents at end of financial period	8,907	67,533
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	28,656	70,145
Bank overdrafts (included within short term borrowings)	(19,749)	(2,612)
	8,907	67,533

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 2012 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 2013

	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 March 2013							
Balance At 1/1/2013	120,225	37,798	4	116,896	274,923	337	275,260
Total comprehensive income for the period	-	-	-	8,955	8,955	(69)	8,886
At 31/3/2013	**120,225**	**37,798**	**4**	**125,851**	**283,878**	**268**	**284,146**
YTD ended 31 March 2012 (2)							
Balance At 1/1/2012	114,500	26,778	3	74,849	216,130	12.00	216,142
Total comprehensive income for the period	-	-	(4)	10,613	10,609	(20)	10,589
Transactions with owner							
Issuance of ordinary shares pursuant to private placement	5,725	11,450	-	-	17,175	-	17,175
Share issue expenses	-	(430)	-	-	(430)	0	(430)
At 31/3/2012	120,225	37,798	(1)	85,462	243,484	(8)	243,476

(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 2012 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 2012 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 2012.

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 2012, 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 2013:

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income
Amendments to FRS 101: Presentation of Financial Statements
FRS 10 Consolidated Financial Statements
FRS 11 Joint Arrangements
FRS 12 Disclosure of interests in Other Entities
FRS 13 Fair Value Measurement
FRS 119 Employee Benefits
FRS 127 Separate Financial Statements
FRS 128 Investment in Associate and Joint Ventures
Amendment to IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards
Amendments to FRS 116: Property, Plant and Equipment
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS134: Interim Financial Reporting
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11: Joint Arrangements: Transition Guidance
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance

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 2014.

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 2012.

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

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
c) investment

The segment revenue and results for the financial period ended 31 March 2013:

	Construction	Manufacturing & Trading	Property Development	Investment	Elimination	Consolidated
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales						
Inter-segment sales	175,063	39,211	49	80	0	214,403
Total revenue	1,099	1,894	0	260	(3,253)	0
	176,162	41,105	49	340	(3,253)	214,403
RESULTS						
Profit from operations	14,832	7,296	13	340	(387)	22,094
Other operating income						1,283
Selling and administrative expenses						(9,147)
Finance costs						(2,415)
Profit before tax						11,815
Income tax expense						(2,929)
Profit net of tax						8,886
Segment Assets	471,673	203,415	55,146	158,730	(155,427)	733,537
Segment Liabilities	289,870	150,491	55,094	70	(46,134)	449,391

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 2013 are as follows:-

	RM'000
Approved and contracted for	8,011

The capital commitment is mainly for the construction of the New Factories as defined in Note A12, the acquisition of plant and equipments for the New Factories, and moulds and passengers hoists required for our construction business.

A12. Property, Plant and Equipment

The Group acquired property, plant and equipment amounting to RM13.55 million, mainly incurred for the construction of 2 pre-cast components factories ("New Factories") in Negeri Sembilan, the purchase of plant & machinery for the New Factories, and moulds and concrete pump required for our construction business 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 16 May 2013, 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 2013 (RM'000)
Provision of construction services to a company in which the Company's director, Pang Tin @ Pang Yon Tin has substantial financial interest	15,876	11,376
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	4,795	10,905

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") 2013 vs Quarter 1 FY2012

The Group achieved revenues of RM214.40 million during the current quarter, which is 8.1% higher as compared to RM198.35 million registered in the previous year's corresponding quarter.

Profit after tax of the Group of RM8.89 million for the current quarter is RM1.70 million or 16.1% lower than the RM10.59 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 82**%** of the current quarter's revenue. For the current quarter, construction revenue declined marginally by RM4.31 million, or 2.4%, compared to last year's corresponding quarter.

For the current quarter, manufacturing and trading revenue improved by RM23.00 million, or 127.1% from last year's corresponding quarter. The improvement in manufacturing and trading revenue in the current quarter was mainly due to the recognition of revenue from the supply of segmental box girders ("SBG") to the Klang Valley Mass Rapid Transit system ("KVMRT") and the increase in revenue from the sales of tunnel lining segments ("TLS") to Singapore.

Following the soft launch of the Group's maiden SOHO and offices property development project known as Cyber Bistari (Hyve) in Cyberjaya, Selangor(the "Hyve") at end of the current quarter, a small revenue was generated by the property development division in the current quarter.

For the current quarter, revenue of the investment division was derived from interest income received from other divisions, and interest income generated from deposits placed with financial institutions.

The Group's gross profit margin for the current quarter of 10.3% approximates the gross profit margin of last year's corresponding quarter.

The construction division derived lower gross profit margin in the current quarter at 8.4% mainly due to higher payroll costs and higher depreciation charges consequential upon the amortization of the additional fixed assets acquired during the last 3 quarters of FY2012 and the current quarter. The fixed assets acquired includes system formwork, moulds, crane and passenger hoist to meet the requirements of our projects.

Manufacturing and trading division's gross profit declined from 25.2% in last year's corresponding quarter to 17.8% in the current quarter mainly due to trial run costs and overheads, in particular depreciation and payroll costs, in relation to the operation of the New Factories. The production rate of the New Factories was low as one of the factories commenced production in November 2012 while the other factory commenced trial run in April 2013.

On the back of higher revenue earned during the current quarter, gross profit of the Group increased by 9.4%.

Despite of the higher gross profit earned during the current quarter, profit after tax of the Group declined by RM1.70 million mainly attributable to the following:

(i) increased in selling and administrative expenses in line with the Group's increasing business activities;
(ii) higher financing costs in tandem with the increased borrowings to finance the huge capital expenditures in relation to the construction and set up of the New Factories, acquisition of plant and equipment for our construction business, and to meet the working capital requirements of higher level of operation

(c) Group Cash Flow Review

The Group experienced net operating cash outflow of RM22.31 million for the current quarter mainly due to:

(a) working capital commitment for the operation of the New Factories;

(b) increase in stocks holdings mainly due to finished goods manufactured by the New Factories which commenced production in November 2012, and increased raw materials holding to meet production requirements of the New Factories.

Despite of the negative operating cash flow during the period, cash and cash equivalents of the Group stood at RM8.91 million as at 31 March 2013.

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

The Group recorded a decline in revenue of RM21.0 million or 8.9% in the current quarter as compared to the preceding quarter, mainly attributable to lower construction activities during the Chinese New Year festive season. The decline in construction revenue was partly mitigated by the increase in manufacturing and trading revenue.

Despite of the decline in revenue, profit before tax of the Group for the current quarter was RM0.58 million higher as compared to the preceding quarter mainly due to the improvement in gross profit margin. Lower gross profit margin was achieved in the preceding quarter mainly due to the recognition of cost overrun in relation to few construction projects which were completed during the preceding quarter.

Despite of the increase in profit before tax, profit after tax of the Group declined by RM3.47 million as compared to the preceding quarter due to recognition of tax incentives in the preceding quarter; henceforth resulting in a tax credit of RM1.11 million in preceding quarter.

B3. Prospects For 2013

The Board foresees 2013 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 RM1.6 billion collectively as at 31 March 2013. The Board is optimistic that the construction sector of Malaysia and Singapore will continue to be vibrant in 2013, thus order book replenishment prospects remain encouraging.

Malaysian Construction Sector

The sector is projected to grow strongly by 11.2% in 2013 underpinned by on-going construction under the Economic Transformation Programme and vibrant housing construction activities. It is also expected to benefit from the implementation of construction projects 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 under the 10th Malaysia Plan which could benefit the Group in the medium to long term include:

(a) the construction of the KVMRT with a total length of about 150 km

The KVMRT is expected to comprise three separate lines serving a 20km radius footprint around the city centre. All three lines are envisaged to be operational by 2020. The first of the three lines, the Sungai Buloh - Kajang line (SBK line) is presently under construction. The second and third lines of KVMRT are currently under feasibility studies of the Land Public Transport Commission (SPAD).

In relation to the SBK line, SPC Industries Sdn Bhd (“SPC”), a wholly owned subsidiary of the Company was appointed as the designated supplier for the supply of SBG to certain packages for RM223 million over the period of approximately 40 months, and won the sales orders for the supply of precast concrete tunnel segment linings (“TLS”) for RM48.48 million over the period of approximately 24 months.

With the track record gained in the SBK line and Singapore MRT projects, coupled with additional production capacity on completion of the New Factory SPC will be in the position to compete for potential sales order from the second and third lines of KVMRT.

(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.

In addition, the vibrant developments in Iskandar Malaysia and PETRONAS' Refinery and Petrochemical Integrated Development (RAPID) project in Southern Johor are expected to create further demand for infrastructure and building construction services in Johor, the home base of the Group.

The residential sub-sector is expected to remain resilient supported by 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 2013 is projected to reach between SGD26 billion and SGD32 billion as compared to $28 billion in 2012. The total construction output is projected to rise to between $31 billion and $33 billion in 2013 from $31 billion in 2012.

For 2013, about 53% of the demand is expected to come from the public sector. The higher public sector demand is due to the continued ramping up of public housing and rail construction. Other than public housing projects, major public sector projects likely to be awarded in 2013 include:

· Nanyang Technological University's Undergraduate Halls of Residence;
· various construction contracts for the fully underground 30-km long Thomson MRT Line; and
- expansion of Kallang Paya Lebar Expressway / Tampines Expressway Interchange

SPC, as a supplier of pre-cast concrete products may benefit from the roll out of the above projects and the commencement of construction of an extra-high-voltage underground power transmission network which comprises a 35 km cable tunnel ("Underground Cable Tunnel").

The construction contracts of the Underground Cable Tunnel were awarded to few international contractors late last year and the Group expects the supply order for TLS will be made by the winning contractors progressively in 2013.

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.

As for its property development division, with the launch of the Hyve in Cyberjaya, Selangor with an estimated projected gross development value of more than RM200 million during this year, this division is expected to contribute positively to the revenue and profit of the Group.

The key challenges/risks for the Group include unexpected economic downturn, significant changes in Government spending policies, unfavourable raw material price movements, shortage in supply of labour unexpected problems or delays in the execution of projects, or additional measures to curb the property market.

Barring any unforeseen circumstances, the Board is confident that the Group's business will further improve in 2013.

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 31.3.2013 RM'000	Cumulative Quarter 3 months ended 31.3.2013 RM'000
(a)	interest income	1,134	1,134
(b)	other income including investment income	147	147
(c)	interest expense	2,415	2,415
(d)	depreciation and amortization	4,225	4,225
(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	(2)	(2)
(h)	impairment of assets	0	0
(i)	foreign exchange (gain) or loss	370	370
(j)	gain or loss on derivatives	0	0
(k)	exceptional items	0	0

B6. Taxation

	Current Quarter 3 months ended 31.3.2013 RM'000	Cumulative Quarter 3 months ended 31.3.2013 RM'000
In respect of the current period		
- Income tax	3,196	3,196
- Deferred tax	(373)	(373)
	2,823	2,823
In respect of prior year		
- Income tax	0	0
- Deferred tax	106	106
	2,929	2,929

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

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 Group had fully utilised the IPO proceeds of RM62.08 million as planned during the current quarter.

(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 RM'000	Actual Utilisation RM'000	Deviation RM'000	Deviation %	Explanation
Development and incidental expenditure of the Group's existing land bank, and purchase consideration, development and incidental expenditure of new land to be acquired by the Group	Within 18 months	13,000	7,681	5,319	40.9%	(1)
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	11,856	5,319		

Note:-

(1) 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 2013 are as follows:

	RM'000
Long term borrowings	
Secured:	
Hire purchase creditors	11,736
Term loans	58,438
	70,174
Short term borrowings	
Secured:	
Bank overdraft	19,748
Hire purchase creditors	4,119
Bankers' acceptance	77,284
Advance against progressive claim	14,315
Term loans	3,919
	119,385

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 31.3.2013 RM'000	**Group 31.12.2012 RM'000**
Total retained earnings		
- Realised	126,268	117,222
- Unrealised	368	320
	126,636	117,542
Less : Consolidation adjustments	(785)	(646)
Total Group retained earnings as per consolidated accounts	125,851	116,896

B11. Dividends

The Board of Directors does not recommend the payment of an interim dividend for the financial quarter ended 31 March 2013. However, the Board of Directors recommended the payment of a final single-tier dividend of 4.8 sen per share in respect of the financial year ended 31 December 2012 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

This dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits for the financial year ending 31 December 2013.

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 number of ordinary shares in issue during the financial period as follow:

	Current Quarter Ended		**Year to-Date Ended**	
	31.3.2013	**31.3.2012**	**31.3.2013**	**31.3.2012**
Profit attributable to equity holder of the Group (RM'000)	8,955	10,613	8,955	10,613
Number of ordinary shares in issue ('000)	240,450	231,894^	240,450	231,894^
Basic earnings per share (RM)	0.04	0.05#	0.04	0.05#

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 the number of ordinary shares in issue of 240.45 million shares, the EPS for preceding year quarter and year to-date ended 31 March 2012 would be RM0.044.