

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the Third Quarter Ended 30 September 2013

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/09/2013 RM'000	Preceding Year Quarter (2) 30/09/2012 RM'000	Current Year To Date 30/09/2013 RM'000	Preceding Year To Date (2) 30/09/2012 RM'000
Revenue	227,420	215,001	676,095	661,145
Cost of sales	(207,448)	(191,762)	(612,346)	(590,244)
Gross profit	19,972	23,239	63,749	70,901
Other income	1,394	1,329	4,151	3,918
Selling and administrative expenses	(10,702)	(6,983)	(30,929)	(20,717)
Finance costs	(2,937)	(1,826)	(8,284)	(4,607)
Profit before tax	7,727	15,759	28,687	49,495
Income tax expense	(831)	(4,044)	(5,917)	(12,462)
Profit net of tax	6,896	11,715	22,770	37,033
Other comprehensive income	-	9	-	11
Total comprehensive income for the period	<u>6,896</u>	<u>11,724</u>	<u>22,770</u>	<u>37,044</u>
Profit attributable to :				
Owners of the Company	6,913	11,793	22,900	37,151
Non-controlling interests	(17)	(78)	(130)	(118)
	<u>6,896</u>	<u>11,715</u>	<u>22,770</u>	<u>37,033</u>
Earnings Per Share (RM)				
- Basic (3)	0.03	0.05	0.10	0.16
- Diluted (3)	N/A	N/A	N/A	N/A
Total comprehensive income attributable to :				
Owners of the Company	6,913	11,802	22,900	37,162
Non-controlling interests	(17)	(78)	(130)	(118)
	<u>6,896</u>	<u>11,724</u>	<u>22,770</u>	<u>37,044</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 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 30 September 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 30 September 2013

	Unaudited As at 30/09/2013 RM'000	Audited As at 31/12/2012 RM'000
Assets		
Non- current assets		
Property, plant and equipment	153,742	128,275
Investment properties	327	327
Other investments	90	90
	<u>154,159</u>	<u>128,692</u>
Current assets		
Properties held for sale	389	850
Property Development costs	89,273	50,399
Inventories	23,312	22,153
Trade and other receivables	314,102	307,380
Other current assets	214,852	178,930
Cash and bank balances	31,343	44,727
	<u>673,271</u>	<u>604,439</u>
TOTAL ASSETS	<u>827,430</u>	<u>733,131</u>
EQUITY AND LIABILITIES		
Current liabilities		
Income tax payable	761	2,368
Loans and borrowings	128,067	103,780
Trade and other payables	320,234	269,145
Other current liability	4,372	15,327
	<u>453,434</u>	<u>390,620</u>
Net current assets	<u>219,837</u>	<u>213,819</u>
Non-current liabilities		
Loans and borrowings	87,028	66,052
Deferred tax liabilities	475	1,199
	<u>87,503</u>	<u>67,251</u>
TOTAL LIABILITIES	<u>540,937</u>	<u>457,871</u>
Net assets	<u>286,493</u>	<u>275,260</u>
Equity		
Share capital	120,225	120,225
Share premium	37,798	37,798
Translation reserve	9	4
Retained earnings	128,254	116,896
Equity attributable to owners of the Company	<u>286,286</u>	<u>274,923</u>
Non-controlling interests	207	337
Total equity	<u>286,493</u>	<u>275,260</u>
TOTAL EQUITY AND LIABILITIES	<u>827,430</u>	<u>733,131</u>
Net Assets Per Share Attributable to owners of the Company (RM)	1.19	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 30 September 2013

	Current Year To Date 30/09/2013 RM'000	Preceding Year To Date 30/09/2012 RM'000
Operating activities		
Profit before tax	28,687	49,495
Adjustment for :		
Unrealised foreign exchange loss/(gain)	(1,487)	(981)
Depreciation	13,989	5,792
Provision for doubtful debts	450	-
Bad debts	55	-
Gain on disposal of property, plant and equipment	(156)	(66)
Loss on disposal of properties held for resale	-	1
Transfer of fixed asset to Profit and Loss	-	56
Reversal of fixed asset from Profit and Loss	(20)	-
Interest expenses	6,635	3,368
Interest income	(463)	(680)
Operating cash flows before changes in working capital	<u>47,690</u>	<u>56,985</u>
Changes in working capital		
Development property	(38,875)	(29,162)
Inventories	(1,159)	175
Receivables	(9,812)	(79,973)
Other current assets	(28,040)	(30,273)
Payables	47,702	26,916
Other current liabilities	(10,955)	6,484
Cash flows used in operations	<u>6,551</u>	<u>(48,848)</u>
Interest paid	(6,635)	(3,368)
Tax paid	(8,248)	(10,033)
Interest received	463	680
Net cash flows used in operating activities	<u>(7,869)</u>	<u>(61,569)</u>
Investing activities		
Purchase of property, plant and equipment	(30,945)	(46,948)
Proceeds from disposal of property, plant & equipment	234	66
Proceeds from disposal of property held for resale	-	415
Purchase of property held for resale	(9)	(380)
Other deposits not for short-term funding requirements	(13)	-
Net cash flows used in investing activities	<u>(30,733)</u>	<u>(46,847)</u>
Financing activities		
Proceeds from issuance of shares	-	17,616
Share issuance expenses	-	(430)
Dividend paid	(11,542)	(7,454)
Proceeds from loans and borrowings	28,627	71,680
Proceeds from/(Repayment of) advance against progressive claims	(855)	-
Repayment to hire purchase creditors	(3,857)	(3,002)
Net cash flows from financing activities	<u>12,373</u>	<u>78,410</u>
Net decrease in cash and cash equivalents	(26,229)	(30,006)
Effects of exchange rate changes on cash and cash equivalents	53	73
Cash and cash equivalents at beginning of financial period	<u>34,034</u>	<u>78,241</u>
Cash and cash equivalents at end of financial period	<u>7,858</u>	<u>48,308</u>
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	31,343	60,387
Bank overdrafts (included within short term borrowings)	(23,472)	(12,079)
Other deposits not for short-term funding requirements	(13)	-
	<u>7,858</u>	<u>48,308</u>

Notes:

(1) The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 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 30 September 2013

	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
YTD ended 30 September 2013							
Balance At 1/1/2013	120,225	37,798	4	116,896	274,923	337	275,260
Total comprehensive income for the period	-	-	5	22,900	22,905	(130)	22,775
Transactions with owner							
Dividend payment (as detailed in Note B11)	-	-	-	(11,542)	(11,542)	-	(11,542)
At 30/9/2013	120,225	37,798	9	128,254	286,286	207	286,493
YTD ended 30 September 2012 (2)							
Balance At 1/1/2012	114,500	26,778	3	74,849	216,130	12	216,142
Total comprehensive income for the period	-	-	2	37,151	37,153	(118)	37,035
Transactions with owner							
Dividend payment (as detailed in Note B11)	-	-	-	(7,454)	(7,454)	-	(7,454)
Issuance of ordinary shares pursuant to private placement	5,725	11,450	-	-	17,175	-	17,175
Share issue expenses	-	(430)	-	-	(430)	-	(430)
Share issuance by a subsidiary	-	-	-	-	-	441	441
At 30/9/2012	120,225	37,798	5	104,546	262,574	335	262,909

(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 30 September 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

The final single-tier dividend of 4.8 sen per share in respect of the financial year ended 31 December 2012 was paid on 28 August 2013.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2013

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 30 September 2013:

	Construction	Manufacturing & Trading	Property Development	Investment	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External sales	526,829	136,837	12,296	133	0	676,095
Inter-segment sales	15,294	6,907	0	12,014	(34,215)	0
Total revenue	542,123	143,744	12,296	12,147	(34,215)	676,095
RESULTS						
Profit from operations	36,464	24,959	3,185	12,147	(13,006)	63,749
Other operating income						4,151
Selling and administrative expenses						(30,929)
Finance costs						(8,284)
Profit before tax						28,687
Income tax expense						(5,917)
Profit net of tax						22,770
Segment Assets	477,412	252,889	106,085	158,495	(167,451)	827,430
Segment Liabilities	297,723	193,310	102,656	234	(52,986)	540,937

A10. Valuation of property, plant and equipment

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

A11. Capital commitments

Capital commitment for property, plant and equipment not provided for as at 30 September 2013 are as follows:-

	RM'000
Approved and contracted for	<u>4,042</u>

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 RM39.39 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 22 November 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:-

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Nature of Transactions	Transaction Value Based on Billings (RM'000)	Balance outstanding as at 30 September 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	48,928	17,841
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	11,255	10,436

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 3 Financial Year Ending 31 December (“FY”) 2013 vs Quarter 3 FY2012

The Group achieved revenues of RM227.42 million during the current quarter, which is 5.8% higher as compared to RM215.00 million registered in the previous year’s corresponding quarter.

Profit after tax of the Group of RM6.90 million for the current quarter is RM4.82 million or 41.1% lower than the RM11.72 million achieved in the previous year’s corresponding quarter.

(b) 9 Months Ended 30 September 2013 (“Current Period”) vs 9 Months Ended 30 September 2012 (“LY Corresponding Period”)

The Group achieved revenues of RM676.09 million during the Current Period, which is 2.3% higher as compared to RM661.15 million registered in LY Corresponding Period.

Profit after tax of the Group of RM22.77 million for the Current Period is RM14.27 million or 38.5% lower than the RM37.04 million achieved in LY Corresponding Period.

(c) Performance review

The construction division continued to be the main revenue contributor to the Group, attributing approximately 75% of the current quarter’s and Current Period’s. For the current quarter, construction revenue declined by RM15.27 million, or 7.9%, compared to last year’s corresponding quarter, whereas for the Current Period, construction revenue declined by RM54.71 million, or 9.2% as compared to LY Corresponding Period. The decline in construction revenue in the current quarter and Current Period despite of large balance order book in hand was mainly due to:

- (i) the revenue contribution from two large size projects during last year’s corresponding quarter and LY Corresponding Period. The two projects contributed approximately RM86 million to the revenue of LY Corresponding Period and were substantially completed as at end of LY Corresponding Period; and
- (ii) the construction activities of some new larger size projects secured during later part of 2012 and during the Current Period has yet to reach the stage of material revenue contribution.

For the current quarter, manufacturing and trading revenue improved by RM24.32 million, or 97.1% from last year’s corresponding quarter, whereas for the Current Period, manufacturing and trading revenue improved by RM74.93 million, or 108.9% as compared to LY Corresponding Period. The improvement in manufacturing and trading revenue in the current quarter and Current Period was mainly due to the recognition of revenue from the supply of segmental box girders (“SBG”) and tunnel lining segments (“TLS”) to the Klang Valley Mass Rapid Transit system (“KVMRT”).

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 year 2012, which is

currently at early stage of construction, a small revenue was generated by the property development division in the current quarter and Current Period.

For the Current Period, 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 declined from 10.8% in last year's corresponding quarter to 8.8% in the current quarter, and from 10.7% in LY Corresponding Period to 9.4% in Current Period, due to lower gross profit margin derived by the construction and manufacturing and trading divisions.

The construction division derived lower gross profit margin in the current quarter and Current Period mainly due to the following;

- (i) lower revenue generated during the current quarter and Current Period which resulted in less efficient absorption of fixed overheads. In addition, depreciation and payroll costs increased by RM1.8 mil and RM5.4 million as compared to last year's corresponding quarter and LY Corresponding Period respectively. Additional recruitment and substantially capital expenditures on acquisition of machineries and equipment, setting up of casting yard during the second half of year 2012 and the Current Period to meet the anticipated larger volume of construction work ahead, in particular for the construction of high rise buildings resulted in higher payroll costs and depreciation; and
- (ii) larger proportion of lower gross profit projects being carried out and the recognition of cost overrun in relation to few projects during the period.

Manufacturing and trading division derived lower gross profit in the current quarter and Current Period mainly due to significant revenue contribution from the lower profitability KVMRT SBG and TLS supply contracts during the current quarter and Current Period. The KVMRT SBG and TLS supply contracts began to contribute revenue to this division this year and had contributed approximately 50% of the Current Period's revenue of this division.

In line with lower revenue and gross profit margin, gross profit of the Group declined by RM3.27 million and RM7.15 million for the current quarter and Current Period respectively.

The increase in Selling and administrative expenses were mainly due to the increase in carriage onward expenses in line with the increase in business activities of manufacturing and trading segment, and the incurrence of sales commission, documentation fees and promotion expenses in relation to the Hyve.

Higher financing costs were incurred during the current quarter and Current Period 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.

Consequential upon lower gross profit earned, higher selling and administrative expenses, as well as finance costs, the profit after taxation of the Group for the current quarter and Current Period declined by RM4.82 million and RM14.26 million respectively.

(c) Group Cash Flow Review

The Group experienced net operating cash outflow of RM7.87 million for the Current Period mainly due to:

- (i) working capital commitment for the operation of the New Factories; and
- (ii) working capital commitment for the development of the Cyber Bistari (Hyve)

Despite of the negative operating cash flow during the period, cash and cash equivalents of the Group stood at RM7.86 million as at 30 September 2013.

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

The Group recorded a 2.9% or RM6.85 million decline in revenue in the current quarter as compared to the preceding quarter, mainly attributable to lower revenue achieved by the construction division. The decline in construction revenue was mainly attributable to lower construction activities during festive season.

The Group's gross profit margin declined from 9.3% in the preceding quarter to 8.8% in the current quarter mainly due to lower gross profit margin derived by the construction division in the current quarter. Construction division derived lower gross profit in the current quarter mainly due to the recognition of cost overrun in relation to few projects.

The Group's profit before taxation for the current quarter declined by RM1.42 million as compared to the preceding quarter in line with lower gross profit generated. Income tax expense for the current quarter was lower by RM1.33 mil attributable to lower profit before taxation generated and the reversal of preceding quarters' tax provision on recognition of tax incentives arouse from the Group's investment in expanding its production capacity. The Group's profit net of taxation for the current quarter approximate that of the preceding quarter

B3. Prospects For 2013

Despite of the high balance order book in hand of RM2.19 billion as at 30 September 2013, the Board does not foresee a significant growth in revenue for 2013 as the larger size construction projects secured during the Current Period are not expected to reach the level of construction activities for a material revenue contribution in FY2013 in view of the timing of these projects being secured. The Group has secured approximately RM1.18 billion of new construction and manufacturing contracts in the Current Period. The revenue contribution from most of these new contracts is expected to be mainly in FY2014 onward. After taking into consideration of the Group's performance during the Current Period, the Board expects the financial results for FY2013 to be lower than that of preceding financial year.

B4. Profit Forecast And Profit Estimate

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

B5. Profit Before Tax

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

	Current Quarter 3 months ended 30.9.2013 RM'000	Cumulative Quarter 9 months ended 30.9.2013 RM'000
(a) interest income	1,240	3,575
(b) other income including investment Income	113	420
(c) interest expense	2,937	8,284
(d) depreciation and amortization	4,696	13,989
(e) provision for and write off of receivables	(50)	505
(f) provision for and write off of inventories	0	0
(g) (gain) or loss on disposal of quoted or unquoted investments or properties	41	156
(h) impairment of assets	0	0
(i) foreign exchange (gain) or loss	(1,448)	856
(j) gain or loss on derivatives	0	0
(k) exceptional items	0	0

B6. Taxation

	Current Quarter 3 months ended 30.9.2013 RM'000	Cumulative Quarter 9 months ended 30.9.2013 RM'000
In respect of the current period		
- Income tax	1,094	6,902
- Deferred tax	(263)	(828)
	831	6,074
In respect of prior year		
- Income tax	0	(261)
- Deferred tax	0	104
	831	5,917

The effective tax rate was lower than the statutory rate applicable to the Group for the current quarter due to the reversal of tax provision made in the preceding quarters, on recognition of tax

incentives arise from the Group's investment in expanding its production capacity, in particular the New Factory.

B7. Status of Corporate Proposals and Utilisation of Gross Proceeds

- (a) Save for the proposed renounceable rights issue of 60,112,500 new ordinary shares of RM0.50 each in the Company ("Kimlun Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every four (4) existing Kimlun Shares held Together With 60,112,500 free detachable warrants ("Warrant") on the basis of one (1) Warrant for every one (1) Rights Share subscribed for, based on an entitlement date to be determined later, as announced on 31 October 2013, 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 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, and purchase consideration, development and incidental expenditure of new land to be acquired by the Group	Within 18 months	13,000	10,830	2,170	16.7%	(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	15,005	2,170		

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 30 September 2013 are as follows:

	RM'000
Long term borrowings	
<u>Secured:</u>	
Hire purchase creditors	14,510
Term loans	72,518
	<u>87,028</u>
Short term borrowings	
<u>Secured:</u>	
Bank overdraft	23,471
Hire purchase creditors	4,767
Bankers' acceptance	81,051
Advance against progressive claim	14,424
Term loans and revolving credit	4,354
	<u>128,067</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.

	Group 30.9.2013 RM'000	Group 31.12.2012 RM'000
Total retained earnings		
- Realised	127,678	117,222
- Unrealised	2,532	320
	<u>130,210</u>	<u>117,542</u>
Less : Consolidation adjustments	<u>(1,955)</u>	<u>(646)</u>
Total Group retained earnings as per consolidated accounts	<u>128,255</u>	<u>116,896</u>

B11. Dividends

- (a) A final single-tier dividend of 4.8 sen per share in respect of the financial year ended 31 December 2012 was approved by the shareholders at the Annual General Meeting held on 19 June 2013. The dividend was paid on 28 August 2013.
- (b) The Board of Directors does not recommend the payment of an interim dividend for the financial quarter ended 30 September 2013.
- (c) Dividend declared during the previous year's corresponding period:
 A final single-tier dividend of 3.1 sen per share in respect of the financial year ended 31 December 2011.

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	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
Profit attributable to equity holder of the Group (RM'000)	6,913	11,793	22,900	37,151
Number of ordinary shares in issue ('000)	240,450	237,608 [^]	240,450	237,608 [^]
Basic earnings per share (RM)	0.03	0.05 [#]	0.095	0.156 [#]

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 30 September 2012 and preceding year to-date ended 30 September 2012 would be RM0.049 and RM0.155 respectively.