

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the First Quarter Ended 31 March 2014

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/03/2014 RM'000	Preceding Year Quarter 31/03/2013 RM'000	Current Year To Date 31/03/2014 RM'000	Preceding Year To Date 31/03/2013 RM'000
Revenue	335,083	214,403	335,083	214,403
Cost of sales	(295,084)	(192,309)	(295,084)	(192,309)
Gross profit	39,999	22,094	39,999	22,094
Other income	1,871	1,283	1,871	1,283
Selling and administrative expenses	(11,685)	(9,147)	(11,685)	(9,147)
Finance costs	(3,457)	(2,415)	(3,457)	(2,415)
Profit before tax	26,728	11,815	26,728	11,815
Income tax expense	(6,862)	(2,929)	(6,862)	(2,929)
Profit net of tax	19,866	8,886	19,866	8,886
Other comprehensive income	1	-	1	-
Total comprehensive income for the period	<u>19,867</u>	<u>8,886</u>	<u>19,867</u>	<u>8,886</u>
Profit attributable to :				
Owners of the Company	19,465	8,955	19,465	8,955
Non-controlling interests	401	(69)	401	(69)
	<u>19,866</u>	<u>8,886</u>	<u>19,866</u>	<u>8,886</u>
Earnings Per Share (RM)				
- Basic (2)	0.07	0.04	0.07	0.04
- Diluted (2)	N/A	N/A	N/A	N/A
Total comprehensive income attributable to :				
Owners of the Company	19,466	8,955	19,466	8,955
Non-controlling interests	401	(69)	401	(69)
	<u>19,867</u>	<u>8,886</u>	<u>19,867</u>	<u>8,886</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 2013 and the accompanying notes attached to the interim financial statements.

(2) 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 2014

	Unaudited As at 31/03/2014 RM'000	Audited As at 31/12/2013 RM'000
Assets		
Non- current assets		
Property, plant and equipment	156,245	156,699
Investment properties	327	327
Other investments	90	90
Deferred tax assets	4,718	4,797
	<u>161,380</u>	<u>161,913</u>
Current assets		
Properties held for sale	389	389
Property Development costs	30,152	60,001
Inventories	24,960	16,977
Trade and other receivables	367,866	353,981
Other current assets	255,099	224,568
Cash and bank balances	104,407	32,128
	<u>782,873</u>	<u>688,044</u>
TOTAL ASSETS	<u><u>944,253</u></u>	<u><u>849,957</u></u>
EQUITY AND LIABILITIES		
Current liabilities		
Income tax payable	4,145	88
Loans and borrowings	129,401	144,707
Trade and other payables	344,301	308,165
Other current liability	6,971	7,378
	<u>484,818</u>	<u>460,338</u>
Net current assets	<u>298,055</u>	<u>227,706</u>
Non-current liabilities		
Loans and borrowings	75,504	90,419
TOTAL LIABILITIES	<u>560,322</u>	<u>550,757</u>
Net assets	<u>383,931</u>	<u>299,200</u>
Equity		
Share capital	150,281	120,225
Share premium	37,741	37,798
Other reserves	34,876	10
Retained earnings	160,534	141,069
Equity attributable to owners of the Company	<u>383,432</u>	<u>299,102</u>
Non-controlling interests	499	98
Total equity	<u>383,931</u>	<u>299,200</u>
TOTAL EQUITY AND LIABILITIES	<u><u>944,253</u></u>	<u><u>849,957</u></u>
Net Assets Per Share Attributable to owners of the Company (RM)	1.28	1.24

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 2013 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 2014

	Current Year To Date 31/03/2014 RM'000	Preceding Year To Date 31/03/2013 RM'000
Operating activities		
Profit before tax	26,728	11,815
Adjustment for :		
Unrealised foreign exchange gain	284	120
Depreciation	5,305	4,225
Loss/(Gain) on disposal of property, plant and equipment	3	(2)
Interest expenses	2,758	1,902
Interest income	(169)	(165)
Operating cash flows before changes in working capital	34,909	17,895
Changes in working capital		
Development property	29,848	(1,480)
Inventories	(7,982)	(4,656)
Receivables	(18,943)	11,034
Other current assets	(26,761)	(9,970)
Payables	37,103	(19,341)
Other current liabilities	(407)	(9,856)
Cash flows from/(used in) operations	47,767	(16,374)
Interest paid	(2,758)	(1,902)
Tax paid	(2,726)	(4,201)
Interest received	169	165
Net cash flows from/(used) in operating activities	42,452	(22,312)
Investing activities		
Purchase of property, plant and equipment	(2,304)	(11,022)
Proceeds from disposal of property, plant & equipment	72	7
Net cash flows used in investing activities	(2,232)	(11,015)
Financing activities		
Proceeds from issuance of shares	66,124	-
Share issuance expenses	(1,259)	-
(Repayment of)/Proceeds from loans and borrowings	(14,394)	10,358
Repayment of advance against progressive claims	(17,002)	(963)
Repayment to hire purchase creditors	(1,377)	(1,234)
Net cash flows from financing activities	32,092	8,161
Net increase/(decrease) in cash and cash equivalents	72,312	(25,166)
Effects of exchange rate changes on cash and cash equivalents	24	39
Cash and cash equivalents at beginning of financial period	5,346	34,034
Cash and cash equivalents at end of financial period	77,682	8,907
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	104,407	28,656
Bank overdrafts (included within short term borrowings)	(26,725)	(19,749)
	77,682	8,907

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 2013 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 2014

	Attributable to owners of the parent					Sub-Total	Non-controlling interest	Total Equity
	Non-distributable			Distributable				
	Share capital	Share premium	Warrants reserve	Foreign currency translation reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
YTD ended 31 March 2014								
Balance At 1/1/2014	120,225	37,798	-	10	141,069	299,102	98	299,200
Total comprehensive income for the period	-	-	-	1	19,465	19,466	401	19,867
Transactions with owner								
Issuance of ordinary shares pursuant to rights issue with warrants (as detailed in Note A7)	30,056	1,202	34,865	-	-	66,123	-	66,123
Share issue expenses	-	(1,259)	-	-	-	(1,259)	-	(1,259)
At 31/03/2014	150,281	37,741	34,865	11	160,534	383,432	499	383,931
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 31/03/2013	120,225	37,798	-	4	125,851	283,878	268	284,146

(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 2013 and the accompanying notes attached to the interim financial statements

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 2013.

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 2013, 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 2014:

Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136: Recoverable Amount Disclosure for Non-Financial Assets
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21: Levies

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.

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 2013.

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

Save for the issuance of 60,112,500 new ordinary shares of RM0.50 each and 60,112,500 warrants pursuant to the Rights Issue of 60,112,500 New Ordinary Shares of RM0.50 Each at an Issue Price of RM1.10 per Rights Share together with 60,112,500 free Warrants ("Warrants") which was approved by the shareholders on 2 January 2014 ("Rights Issue with Warrants"), 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. Valuation of property, plant and equipment

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

A10. Capital commitments

Capital commitment for property, plant and equipment not provided for as at 31 March 2014 are as follows:-

	RM'000
Approved and contracted for	<u>9,565</u>

The capital commitment is mainly for the purchase of formworks and tower cranes for our construction business.

A11. Property, Plant and Equipment

The Group acquired property, plant and equipment amounting to RM6.01 million, mainly incurred for the purchase of moulds, tower cranes, passenger hoist and other machinery during the financial period-to-date.

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

A12. 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 2014:

	Construction RM'000	Manufacturing & Trading RM'000	Property Development RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External sales						
Inter-segment sales	233,719	45,009	56,191	164	0	335,083
Total revenue	7,335	2,362	(1,657)	370	(8,410)	0
	<u>241,054</u>	<u>47,371</u>	<u>54,534</u>	<u>534</u>	<u>(8,410)</u>	<u>335,083</u>
RESULTS						
Profit from operations	15,484	6,848	17,461	534	(328)	39,999
Other operating income						1,871
Selling and administrative expenses						(11,685)
Finance costs						(3,457)
Profit before tax						<u>26,728</u>
Income tax expense						<u>(6,862)</u>
Profit net of tax						<u>19,866</u>
Segment Assets	572,378	266,687	57,242	224,902	(176,956)	944,253
Segment Liabilities	381,877	196,991	42,621	1,430	(62,597)	560,322

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 17 May 2014, 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 2014 (RM'000)
Provision of construction services to a company in which the Company's director, Pang Tin @ Pang Yon Tin has substantial financial interest	16,281	15,643
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	3,204	9,968

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”) 2014 vs Quarter 1 FY2013

The Group achieved revenues of RM335.08 million during the current quarter, which is 56.3% higher as compared to RM214.40 million registered in the previous year’s corresponding quarter.

Profit after tax of the Group of RM19.87 million for the current quarter is RM10.98 million or 123.5% higher than the RM8.89 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 70% of the current quarter’s revenue. For the current quarter, construction revenue improved by RM64.89 million, or 36.8%, 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 FY2013 for execution in FY2014 vis-à-vis the amount of balance order in hand carried forward from FY2012 for execution mainly in FY2013.

For the current quarter, manufacturing and trading revenue improved by RM6.27 million, or 15.2% from last year’s corresponding quarter mainly due to the increase in revenue from the sales of tunnel lining segments (“TLS”) to Klang Valley Mass Rapid Transit system (“KVMRT”).

For the current quarter, property development revenue improved by RM54.49 million from RM0.01 million of last year’s corresponding quarter. The improvement was contributed by the revenue from the disposal of few parcels of land (“Land Disposal”) for the consideration of RM46.46 million, and the development progress of the Group’s maiden SOHO and offices property development project known as Cyber Bistari (Hyve) in Cyberjaya, Selangor.

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

The Group’s gross profit margin improved from 10.3% in last year’s corresponding quarter to 11.9% in the current quarter due to higher revenue and gross profit contribution from the property development division’s higher profit margin.

Lower gross profit margin was derived by the construction division in the current quarter mainly due to the execution of more projects involving the construction of high-rise buildings which generally entail more specialist contractors and clients’ nominated sub-contractors services (“SCNSC”). The Group earns a lower margin on works under the scope of SCNSC. The manufacturing and trading division registered a lower gross profit margin in the current quarter mainly due to higher depreciation from new production plants which were set up in FY2013, and larger proportion of the revenue being contributed by the lower margins KVMRT segmental box girders (“SBG”) and TLS supply contracts.

On the back of higher revenue earned and improvement in gross profit margin during the current quarter, gross profit of the Group increased by 81.0%.

Profit after tax of the Group registered an increase of RM10.98 mil on higher gross profit earned, while selling and administrative expenses, and finance costs increased in line with the Group's increasing business activities.

(c) Group Cash Flow Review

The Group registered net cash inflow from operating activities and financing activities of RM42.45 million and RM32.09 million respectively for the current quarter, mainly due to the proceed from the Land Disposal and the proceeds from Rights Issue with Warrants, respectively.

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

The Group recorded a 23.7% or RM64.18 million growth in revenue in the current quarter as compared to the preceding quarter, mainly attributable to the increases in external sales achieved by the construction division and property development division by RM20.13 million and RM49.15 million respectively. The increases in external sales of these two divisions were attributable to greater amount of construction works being executed, and the Land Disposal during the current quarter.

The Group's gross profit margin improved from 7.2% in the preceding quarter to 11.9% in the current quarter mainly due to higher revenue and gross profit contribution from the better profit margin property development division, as well as improvement in the gross profit margin of construction division on economic of scale. In line with the higher revenue and better gross profit margin achieved in the current quarter, profit before tax of the Group increased by 181.7% or RM17.24 million. Profit after tax of the Group increased by a lower incremental rate of 56.3% vis-à-vis the increase in profit before taxation in the current quarter due to the recognition of tax incentives in the preceding quarter.

B3. Prospects For 2014

The Board expects 2014 as an exciting year for the Group on the back of estimated balance order book of approximately RM2.09 billion as at 31 March 2014. The sizable balance order book together with the estimated unbilled property sales value of RM131 million from the Hyve on a 70% take-up rate provides a good earnings visibility to the Group. The Board is optimistic that the construction sector of Malaysia and Singapore will continue to be vibrant in 2014, thus order book replenishment prospects remain encouraging.

Malaysian Construction Sector

The Malaysian construction sector is projected to grow at a moderate pace of 9.6% in 2014 due to slower construction activity in the civil engineering sub-sector following the completion of several major infrastructure projects. However, the acceleration in implementation of transport and oil & gas related civil engineering projects will continue to support the sector's growth. Meanwhile, the residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. The

implementation of 1Malaysia Housing Programme ("PR1MA") housing project is expected to accelerate to meet the target of providing 80,000 units of houses for the middle-income group by 2015. Activity in the non-residential subsector is expected to remain stable, albeit at a moderate pace, supported by buoyant business and industrial activities as well as improved consumer sentiment.

Singapore Construction Sector

Contracts for the built environment industry could reach between SGD31 billion and SGD38 billion this year, driven by strong public housing demand and anticipated higher construction demand for institutional developments and major infrastructure projects. This comes on the heels of the sector's strong performance in 2013, where total construction demand reached a historical high of SGD35.8 billion.

For 2015 and 2016, average construction demand is projected to be sustained at between SGD25-34 billion per annum. 60% of the total demand is forecasted to come from building projects while the remaining 40% is expected to come from civil engineering projects.

(Source: Construction demand for 2014 to remain strong dated 9 January 2014, Building and Construction Authority, Singapore)

Approximately 70-80% of the Group's on-going construction contracts are in Iskandar Malaysia ("IM") and were secured mainly from a diversified clientele which our Group has built long term relationships with. The vibrant developments in IM and Petroliam Nasional Berhad's Refinery and Petrochemical Integrated Development project in Southern Johor are expected to create great demand for infrastructure and building construction services in Johor Bahru, the home base of the Group since 1977. The dynamism within IM and the expected growth in the construction sector in Malaysia is expected to present business opportunities for our Group to tap in the medium to long term.

Further, the construction of the KVMRT system with a total length of about 150 km in Klang Valley and affordable houses and public amenities such as hospitals and clinics under the Tenth Malaysia Plan and the Economic Transformation Programme, are expected to benefit our Group in the medium to long term. Our subsidiary, SPC Industries Sdn Bhd ("SPC") was appointed as the designated supplier for the supply of SBG to certain packages for RM223 million, and won the sales orders for the supply of precast concrete TLS for RM48.48 million in relation to the first line under the KVMRT (SBK Line). According to the Mass Rapid Transit Corp Sdn Bhd (MRT Corp), the second line has been approved by the federal government and it is now waiting for the official announcement to enable it to begin work on the second line.

In relation to Singapore market, the progressive award of work packages under the upcoming 30 km MRT Thomson Line to the winning main contractors began since the last quarter of 2013.

SPC supplied TLS to Singapore MRT projects since 2006 and it secured approximately 50% of the total TLS orders of the latest on-going 42 km MRT Downtown Line.

With the track record gained in the SBK Line and Singapore MRT projects, SPC is well positioned to compete for further potential SBG and TLS sales orders from future MRT projects.

The Hyve which comprises a combination of 804 units of SOHO and offices for sale within the central business district of Cyberjaya, Selangor is expected to contribute to the Group's revenue in 2014 and 2015.

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 31.3.2014 RM'000	Cumulative Quarter 3 months ended 31.3.2014 RM'000
(a) interest income	169	169
(b) other income including investment income	1,702	1,702
(c) interest expense	2,758	2,758
(d) depreciation and amortization	5,305	5,305
(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	3	3
(h) impairment of assets	0	0
(i) foreign exchange (gain) or loss	529	529
(j) gain or loss on derivatives	0	0
(k) exceptional items	0	0

B6. Taxation

	Current Quarter 3 months ended 31.3.2014 RM'000	Cumulative Quarter 3 months ended 31.3.2014 RM'000
In respect of the current period		
- Income tax	6,783	6,783
- Deferred tax	76	76
	6,859	6,859
In respect of prior year		
- Income tax	0	0
- Deferred tax	3	3
	6,862	6,862

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

B7. Status of Corporate Proposals and Utilisation of Gross Proceeds

- (a) The following corporate proposals as announced by the Company have not been completed as at the LPD:
- (i) On 28 March 2013, the Company's wholly-owned subsidiary, Kimlun Medini Sdn Bhd entered into a conditional lease purchase agreement ("LPA") with Medini Land Sdn Bhd for the acquisition of 99-year lease over two parcels of contiguous freehold land with a total land area measuring 5.31 acres in Mukim of Pulai, District of Johor Bahru, Johor for a total cash consideration of RM31.06 million.

The LPA was declared unconditional on 11 April 2013.
 - (ii) On 5 March 2014, the Company's wholly-owned subsidiary, Kimlun Land Sdn Bhd entered into a conditional agreement of sale ("SPA") with Bayu Melati Sdn Bhd for the acquisition of forty one 99-year leasehold vacant detached lots with a total land area measuring 8.87 acres in Shah Alam, Mukim of Bukit Raja, District of Petaling Jaya, Selangor for a total cash consideration of RM28.99 million ("Acquisition").

The Acquisition is pending fulfillment of the conditional precedent of the SPA.

- (b) The status of utilization of the gross proceeds from the Rights Issue with Warrants is as follows:

Description	Estimated timeframe for utilisation from the receipt of the proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000
Working capital	Within 18 months	64,924	64,924	-
Estimated expenses in relation to the Rights Issue with Warrants	Immediate	1,200	1,183	17
Total		66,124	66,107	17

B8. Group Borrowing and Debts Securities

The Group's borrowing and debts securities as at 31 March 2014 are as follows:

	RM'000
Long term borrowings	
<u>Secured:</u>	
Hire purchase creditors	15,552
Term loans	59,952
	<hr/>
	75,504
	<hr/>
Short term borrowings	
<u>Secured:</u>	
Bank overdraft	26,725
Hire purchase creditors	5,057
Bankers' acceptance	86,489
Revolving credit	1,000
Term loans	10,130
	<hr/>
	129,401
	<hr/>

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 31.3.2014 RM'000	Group 31.12.2013 RM'000
Total retained earnings		
- Realised	155,335	136,461
- Unrealised	<u>7,048</u>	<u>6,495</u>
	162,383	142,956
Less : Consolidation adjustments	<u>(1,850)</u>	<u>(1,887)</u>
Total Group retained earnings as per consolidated accounts	<u>160,533</u>	<u>141,069</u>

B11. Dividends

The Board of Directors does not recommend the payment of an interim dividend for the financial quarter ended 31 March 2014. However, the Board of Directors recommended the payment of a final single-tier dividend of 3.0 sen per share in respect of the financial year ended 31 December 2013 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 2014.

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	
	31.3.2014	31.3.2013	31.3.2014	31.3.2012
Profit attributable to equity holder of the Group (RM'000)	19,465	8,955	19,464	8,955
Number of ordinary shares in issue ('000)	270,266 [^]	240,450	270,266 [^]	240,450
Basic earnings per share (RM)	0.07	0.04 [#]	0.07	0.04 [#]

Diluted EPS is not applicable as the exercise price of the Warrants is higher than the average market price of the Company's ordinary shares.

[^]: Weighted average ordinary shares in issue

[#]: Had the EPS been computed based on the weighted average number of ordinary shares in issue of 270.27 million shares, the EPS for preceding year quarter and year to-date ended 31 March 2013 would be RM0.033.