Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the Second Quarter Ended 30 June 2015

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/6/2015 RM'000	**Preceeding Year Quarter^ 30/6/2014 RM'000**	**Current Year To Date 30/6/2015 RM'000**	**Preceeding Year To Date^ 30/6/2014 RM'000**
Revenue	258,464	306,628	580,629	639,315
Cost of sales	(231,008)	(285,832)	(522,964)	(580,676)
Gross profit	27,456	20,796	57,665	58,639
Other income	2,317	2,091	4,433	4,011
Selling and administrative expenses	(7,673)	(10,728)	(20,410)	(21,522)
Finance costs	(2,259)	(2,783)	(4,722)	(6,164)
Share of profit of a joint venture	945	1,138	3,078	1,228
Profit before tax	20,786	10,514	40,044	36,192
Income tax expense	(5,202)	(2,864)	(10,344)	(9,573)
Profit net of tax	15,584	7,650	29,700	26,619
Other comprehensive income	(15)	(2)	(22)	(1)
Total comprehensive income for the period	15,569	7,648	29,678	26,618
Profit attributable to :				
Owners of the Company	15,584	7,650	29,700	26,619
Earnings Per Share (RM)				
- Basic (2)	0.05	0.03	0.10	0.09
- Diluted (2)	N/A	N/A	N/A	N/A
Total comprehensive income attributable to :				
Owners of the Company	15,569	7,648	29,678	26,618

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 2014 and the accompanying notes attached to the interim financial statements.

(2) Please refer to Note B12 for details.

^:The Comparative figures have been restated to reflect the change in accounting for investment in Posh Atlantic Sdn Bhd from consolidation to equity accounting consequential upon the adoption of the new Financial Reporting Standard 11 on Joint Arrangement.

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statements of Financial Position
As at 30 June 2015

	Unaudited As at 30/6/2015 RM'000	Audited As at 31/12/2014 RM'000
Assets		
Non- current assets		
Property, plant and equipment	154,453	160,853
Investment properties	327	327
Other investments	75	90
Investment in a joint venture	5,606	3,425
Deferred tax assets	6,993	5,794
	167,454	170,489
Current assets		
Properties held for sale	1,829	1,829
Property Development costs	38,862	14,268
Inventories	18,107	21,119
Trade and other receivables	465,203	349,391
Other current assets	156,099	249,117
Cash and bank balances	75,540	84,671
	755,640	720,395
TOTAL ASSETS	923,094	890,884
EQUITY AND LIABILITIES		
Current liabilities		
Income tax payable	11,338	5,558
Loans and borrowings	74,250	111,237
Trade and other payables	317,104	314,985
Other current liability	50,576	8,805
	453,268	440,585
Net current assets	302,372	279,810
Non-current liabilities		
Loans and borrowings	51,052	49,782
TOTAL LIABILITIES	504,320	490,367
Net assets	418,774	400,517
Equity		
Share capital	150,281	150,281
Share premium	37,795	37,795
Treasury shares	(12)	(12)
Other reserves	34,844	34,866
Retained earnings	195,866	177,587
Total equity	418,774	400,517
TOTAL EQUITY AND LIABILITIES	923,094	890,884
Net Assets Per Share Attributable to owners of the Company (RM)	1.39	1.33

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 2014 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 June 2015

	Current Year To Date 30/6/2015 RM'000	Preceeding Year To Date^ 30/6/2014 RM'000
Operating activities		
Profit before tax	40,044	36,192
Adjustment for :		
Unrealised foreign exchange (gain)/loss	(2,520)	768
Depreciation	11,094	11,403
Allowance for impairment on trade receivables	285	-
Impairment of intangible assets	3	-
Gain on disposal of property, plant and equipment	(74)	(1)
Fixed assets written off	5	20
Interest expenses	3,390	4,820
Interest income	(736)	(513)
Share of profit of a joint venture	(3,078)	(1,228)
Operating cash flows before changes in working capital	48,413	51,461
Changes in working capital		
Development property	(24,593)	27,944
Inventories	3,012	(2,754)
Receivables	(124,395)	(36,421)
Other current assets	102,747	(32,039)
Payables	(8,428)	32,990
Other current liabilities	41,770	(4,465)
Cash flows generated from operations	38,526	36,716
Interest paid	(3,390)	(4,820)
Tax paid	(4,866)	(4,223)
Interest received	736	513
Net cash flows generated from operating activities	31,006	28,186
Investing activities		
Purchase of property, plant and equipment	(4,737)	(6,547)
Proceeds from disposal of property, plant & equipment	112	92
Purchase of property held for sales	-	(1)
Proceeds from disposal of intangible asset	15	-
Net cash outflow on invetment in subsidiary	(3)	-
Net cash flows used in investing activities	(4,613)	(6,456)
Financing activities		
Proceeds from issuance of shares	-	66,124
Share issuance expenses	-	(1,265)
Repayment of loans and borrowings	(37,871)	(19,584)
Repayment of advance against progresive claims	-	(17,002)
Repayment to hire purchase creditors	(657)	(2,716)
Net cash flows (uesd in)/from financing activities	(38,528)	25,557
Net (decrease)/increase in cash and cash equivalents	(12,135)	47,287
Effects of exchange rate changes on cash and cash equivalents	193	5
Cash and cash equivalents at beginning of financial period	78,074	8,055
Cash and cash equivalents at end of financial period	66,132	55,347
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	75,540	59,706
Bank overdrafts (included within short term borrowings)	(9,408)	(4,359)
	66,132	55,347

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 2014 and the accompanying notes attached to the interim financial statements

^:The Comparative figures have been restated to reflect the change in accounting for investment in Posh Atlantic Sdn Bhd from consolidation to equity accounting consequential upon the adoption of the new Financial Reporting Standard 11 on Joint Arrangement.

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Changes in Equity
As at 30 June 2015

	Attributable to owners of the parent						
	<----------------- Non-distributable				----------------->	Distributable	
	Share capital	Share premium	Treasury shares	Warrants reserve	Foreign currency translation reserve	Retained earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
YTD ended 31 March 2015							
Balance At 1/1/2015	150,281	37,795	(12)	34,865	1	177,587	400,517
Total comprehensive income for the period	-	-	-	-	(22)	29,700	29,678
Transactions with owner							
Dividend payment (as detailed in Note B11)	-	-	-	-	-	(11,421)	(11,421)
At 30/6/2015	**150,281**	**37,795**	**(12)**	**34,865**	**(21)**	**195,866**	**418,774**
YTD ended 31 March 2014							
Balance At 1/1/2014	120,225	37,798	-	-	10	141,069	299,102
Effect of adopting FRS 11	-	-	-	-	-	937	937
At 1 January 2014, restated	120,225	37,798	-	-	10	142,006	300,039
Total comprehensive income for the period	-	-	-	-	(1)	26,619	26,618
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
Share issue expenses	-	(1,265)	-	-	-	-	(1,265)
Dividend payment (as detailed in Note B11)	-	-	-	-	-	(9,017)	(9,017)
At 30/6/2014	**150,281**	**37,735**	**-**	**34,865**	**9**	**159,608**	**382,498**

(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 2014 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 2014.

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 2014, except for the adoption of the following new Financial Reporting Standards ("FRSs") and Amendments to FRSs ("Amendments") with effect from 1 January 2015:

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010–2012 Cycle
Annual Improvements to FRSs 2011–2013 Cycle

The adoption of the above FRSs 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 2014.

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. 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 30 June 2015 are as follows:-

	RM'000
Approved and contracted for	2,021

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

A11. Property, Plant and Equipment

The Group acquired property, plant and equipment amounting to RM4.74 million, mainly incurred for the purchase of moulds, formworks and other machinery during the financial period-to-date.

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 30 June 2015:

	Construction	Manufacturing & Trading	Property Development	Investment	Elimination	Consolidated
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	481,976	97,714	819	120	0	580,629
Inter-segment sales	8,652	3,025	102	11,538	(23,317)	0
Total revenue	490,628	100,739	921	11,658	(23,317)	580,629
RESULTS						
Profit from operations	36,855	22,450	190	11,657	(13,487)	57,665
Other operating income						4,433
Selling and administrative expenses						(20,410)
Finance costs						(4,722)
Share of profit of a joint venture						3,078
Profit before tax						40,044
Income tax expense						(10,344)
Profit net of tax						29,700
Segment Assets	593,834	252,296	68,362	234,751	(226,149)	923, 094
Segment Liabilities	349,106	173,765	49,110	11,748	(79,409)	504,320

The segment revenue and results for the financial period ended 30 June 2014 restated for the adoption of Financial Reporting Standard 11 Joint Arrangement ("FRS 11"):

	Construction RM'000	Manufacturing & Trading RM'000	Property Development RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External sales	495,046	97,593	46,462	214	0	639,315
Inter-segment sales	1,678	5,197	-	9,358	(16,233)	0
Total revenue	496,724	102,790	46,462	9,572	(16,233)	639,315
RESULTS						
Profit from operations	28,152	14,966	15,370	9,572	(9,421)	58,639
Other operating income						4,011
Selling and administrative expenses						(21,522)
Finance costs						(6,164)
Share of profit of a joint venture						1,228
Profit before tax						36,192
Income tax expense						(9,573)
Profit net of tax						26,619
Segment Assets	604,523	269,963	22,940	232,405	(232,794)	897,037
Segment Liabilities	414,561	201,241	7,705	9,429	(118,397)	514,539

A13. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the current financial quarter up to 20 August 2015, 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 30 June 2015 (RM'000)
Provision of construction services to a company in which the Company's director, Pang Tin @ Pang Yon Tin has substantial financial interest	44,164	787
Purchase of quarry products from a company in which the Company's directors, Pang Tin @ Pang Yon Tin, and a director of a subsidiary company have substantial financial interest	6,185	6,038

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 2 Financial Year Ending 31 December ("FY") 2015 vs Quarter 2 FY2014

The Group achieved revenues of RM258.46 million during the current quarter, which is 15.7% lower as compared to RM306.63 million registered in last year's corresponding quarter.

Gross profit of the Group of RM27.46 million for the current quarter is RM6.66 million or 32.0% higher than the RM20.80 million achieved in last's corresponding quarter.

Profit after tax of the Group of RM15.58 million for the current quarter is double the profit after tax registered in the previous year's corresponding quarter.

(b) 6 Months Ended 30 June 2015 ("Current Period") vs 6 Months Ended 30 June 2014 ("LY Corresponding Period")

The Group achieved revenues of RM580.63 million during the Current Period, which is 9.2% lower as compared to RM639.31 million registered in LY Corresponding Period.

Gross profit of the Group of RM57.67 million for the Current Period is marginally lower than the RM58.64 million achieved in LY Corresponding Period.

Profit after tax of the Group of RM29.70 million for the Current Period is RM3.08 million or 11.6% higher than the RM26.62 million achieved in LY Corresponding Period.

(c) Performance review

A lower revenue was recorded in the current quarter due to the lower revenue achieved by the construction and manufacturing divisions. For the Current Period, a lower revenue recorded was due to the lower revenue generated by all the active business divisions.

For the current quarter and Current Period, construction revenue declined by RM39.76 million, or 15.6%, and RM6.10 million or 1.2% respectively compared to last year's corresponding period. The decline in construction revenue was mainly due to lower amount of balance orders in hand carried forward from FY2014 for execution in FY2015 vis-à-vis the amount of balance order in hand carried forward from FY2013 for execution mainly in FY2014.

For the current quarter and Current Period, manufacturing and trading revenue declined by RM7.97 million or 14.4%, and RM2.05 million or 2.0% respectively compared to last year's corresponding period. The decline in manufacturing and trading revenue was mainly due to lower revenue from the sale of segmental box girders ("SBG") to the Klang Valley Mass Rapid Transit system ("KVMRT"). The SBG sales orders were substantially completed in the first quarter of FY2015. The decline in SBG sales revenue by approximately RM25 million during the period was partly offset by a higher revenue generated from the sales of tunnel lining segments ("TLS") and jacking pipes to Singapore and Malaysia markets.

For the current quarter, the property development division recorded a revenue of RM0.92 million, attributable to a new residential development in Johor. For the Current Period, property development revenue was lower by RM45.54 million. Higher revenue was generated in LY Corresponding Period due to the revenue from the disposal of few parcels of land ("Land Disposal") which generated a lumpy revenue of RM46.46 million.

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

Had the contribution of the Land Disposal been removed from LY Corresponding Period's results, the decline in the Group's revenue in the Current Period was revised to 2.1%.

The Group's gross profit margin improved from 6.8% in last year's corresponding quarter to 10.6% in the current quarter, and from 9.2% in LY Corresponding Period to 9.9% in Current Period, due to better gross profit margin derived by the construction and manufacturing and trading divisions.

The improvement in gross profit margin of the construction division in the current quarter and Current Period was mainly due to the execution of better margin projects, lower raw material price and fuel price during the period.

The gross profit margin of the manufacturing and trading division in the current quarter and Current Period was better than last year's corresponding period mainly due to approximately 40% of the revenue of last year's corresponding period was contributed by the lower margin KVMRT SBG sales orders. The KVMRT SBG sales orders were substantially completed in the first quarter of FY2015. In addition, a higher proportion of current quarter and Current Period's revenue was contributed by the better margin TLS and jacking pipes sales orders.

Gross profit of property development division was higher in LY Corresponding Period attributable to the gross profit from the Land Disposal of RM15.40 million.

On the back of improved gross profit margin, the Group's gross profit increased by RM6.66 million in the current quarter as compared to last year's corresponding quarter, while the Group's gross profit for the Current Period approximate the level recorded in LY Corresponding Period.

Had the gross profit contribution of the Land Disposal been removed from LY Corresponding Period's results, the Group had achieved a growth in gross profit of 33.4% compared to LY Corresponding Period.

For the current quarter, selling and administrative expenses declined by RM3.05 million compared to last year corresponding quarter, mainly due to:

(i) foreign exchange gains of RM1.56 million in relation to the Group's sales to Singapore, as a result of a weaker Ringgit Malaysia during the current quarter, as opposed to foreign exchange loss of RM0.67 million in last year corresponding quarter; and

(ii) Lower carriage outward incurred in the current quarter in line with lower delivery of finished goods to customers.

For the Current Period, selling and administrative expenses declined by RM1.11 million compared to LY Corresponding Period due to foreign exchange gains of RM1.56 million mentioned above, as opposed to foreign exchange loss of RM1.20 million in LY Corresponding Period. The gains from foreign exchange difference was partly offset by higher carriage outward incurred in the Current Period in line with higher delivery of finished goods to customers in the Current Period.

Financing costs was lower in the current quarter and Current Period due to lower utilisation of banking facilities after the proceeds from the Rights Issue was used as working capital.

For the Current Period, the Group's share of profit of a joint venture increased by RM1.85 million compared to LY Corresponding Period on the back of higher cumulative units sold, and advancement in construction progress of the SOHO and offices property development project known as Cyber Bistari (Hyve) in Cyberjaya, Selangor carried out by the joint venture company.

On the back of better gross profit margin, share of profit of joint venture, and lower expenses during the current quarter and Current Period, profit before and after tax of the Group improved for the current quarter and Current Period. Had the profit after tax contribution of the Land Disposal of RM10.77 million been removed from LY Corresponding Period's results, the Group had achieved a growth in profit after tax of 87.4% in the Current Period.

(b) Group Cash Flow Review

The Group registered net cash inflow from operating activities of RM31.01 million for the Current Period, mainly due to improved profitability and timely certification of work done by consultants.

*: *The Group adopted the new FRS11 in FY2014, resulting in the Group's investment in Posh Atlantic Sdn. Bhd. being classified as a joint venture. The FY2014 quarterly results were restated accordingly for comparison purpose. All commentary is based on the relevant restated financial figures.*

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

The Group recorded a lower revenue in the current quarter compared to the preceding quarter, mainly due to lower revenue being achieved by the construction division. The decline in construction revenue was mainly due to some of the older projects were completed in the preceding quarter, while new projects secured had yet to reach the stage of active execution during the current quarter.

The Group recorded a lower gross profit in the current quarter, in line with lower revenue achieved. Selling and administrative expenses were lower in the current quarter as compared to the preceding quarter mainly due to increase in foreign exchange gains of RM1.56 million mentioned above, and decrease in carriage outward by RM2.95 million in line with lower delivery of finished goods to customers. Share of profit of a joint venture was lower in the current quarter as compared to the preceding quarter due to lesser units of property was sold by the joint venture company, and relatively slower construction progress, during the current quarter. As the decline in selling and administrative expenses was greater than the combined decline in gross profit and share of profit of a joint venture, profit before and after tax were higher in the current quarter compared to the preceding quarter.

B3. Prospects For 2015

The Group's has an estimated construction and manufacturing balance order book of approximately RM1.15 billion and RM0.22 billion respectively as at 30 June 2015. The balance order book together with the estimated unbilled property sales value of RM65 million from the Hyve on a 76% 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 2015, thus offer order book replenishment prospects.

Malaysian Construction Sector

The Malaysian construction sector is projected to increase 10.7% in 2015 (2014: 12.7%) supported by the commencement of some oil & gas related projects such as the Refinery and Petrochemical Integrated Development ("RAPID") as well as ongoing transportation related infrastructure projects. Meanwhile, the residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. Demand for affordable housing will remain favourable amid several Government initiatives such as 1Malaysia Housing Programme ("PR1MA"), Rumah Idaman Rakyat and Rumah Mesra Rakyat. The non-residential subsector is expected to remain stable supported by encouraging demand for industrial and commercial buildings.

Singapore Construction Sector

Construction contracts for the built environment sector is expected to reach between $29 billion to $36 billion in 2015, given a sustained pipeline of public sector projects. This follows an exceptionally strong performance in 2014 where the total construction demand set a new record of $37.7 billion, fuelled by a higher volume of institutional and civil engineering construction contracts. Such projects include Tampines Town Hub project and the award of various major contracts for the construction of Thomson-East Coast MRT Line as well as land preparation works for the upcoming Changi Airport development.

This year, public sector projects are expected to account for an estimated 60% of the total construction demand in 2015.

The average construction demand is expected to be sustained between $27 billion to $36 billion in 2016 and 2017 per annum, in view of mega public sector infrastructure projects required to meet the long-term needs of 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. Despite of the oversupply of properties in IM in the mixed-use and high-rise residential properties which have resulted in some developers scaling back and slowing down on their launches of such properties in IM hotspot areas, the Board remains positive of order book replenishment prospects as some of these developers started to shift their focus to landed properties, industrial parks or affordable homes developments, or moving out to suburbs such as Kulai and Senai, which continue to see healthy demand. In addition, the RAPID project in South Eastern Johor is expected to create great demand for infrastructure and building construction services.

Further, the government's target to construct one million units of affordable houses, including 500,000 units by PR1MA, 100,493 units by Syarikat Perumahan Negara Berhad (SPNB), and 100,000 units by 1Malaysia Civil Servant Housing (PPA1M) in the next five years, the construction of the KVMRT system with a total length of about 150 km in Klang Valley, the light rail transit line three from Bandar Utama to Shah Alam and Klang 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 ongoing first line under the KVMRT (SBK Line). The second line has been approved by the federal government, and Mass

Rapid Transit Corporation Sdn Bhd, has appointed MMC Gamuda KVMRT (PDP SSP) Sdn Bhd as the project delivery partner for the implementation of the second line.

In relation to Singapore market, SPC secured four sales contracts with an aggregate value of SGD51.22 million for the supply of precast concrete TLS to the upcoming 30 km MRT Thomson Line.

SPC supplied TLS to Singapore MRT projects since 2006 and it secured approximately 50% of the total TLS orders of the 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 will continue to contribute to the Group's revenue in 2015 with further sales and progress in its development.

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 30.6.2015 RM'000	Cumulative Quarter 6 months ended 30.6.2015 RM'000
(a)	interest income	393	736
(b)	other income including investment Income	1,847	3,623
(c)	interest expense	1,605	3,364
(d)	depreciation and amortization	5,144	11,094
(e)	provision for and write off of receivables	0	285
(f)	provision for and write off of inventories	900	2,000
(g)	(gain) or loss on disposal of quoted or unquoted investments or properties	(77)	(74)
(h)	impairment of assets	0	0
(i)	foreign exchange (gain) or loss	(1,563)	(1,564)
(j)	gain or loss on derivatives	0	0
(k)	exceptional items	0	0

B6. Taxation

	Current Quarter 3 months ended 30.6.2015 RM'000	Cumulative Quarter 6 months ended 30.6.2015 RM'000
In respect of the current period		
- Income tax	5,487	10,605
- Deferred tax	(327)	(303)
	5,160	10,302
In respect of prior year		
- Income tax	42	42
- Deferred tax	0	0
	5,202	10,344

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

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. The acquisition of the lease over one of the parcels of land was completed, while the acquisition of the lease over the remaining parcel of land has yet to be completed.

(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.

(iii) On 13 May 2015, the Company's wholly-owned subsidiary, Kitaran Lintas Sdn Bhd entered into a conditional sale and purchase agreement ("KT SPA") with Choo Chek Juan @ Choo Ou Kiak to purchase twenty nine parcels of freehold agriculture land in Mukim of Kota Tinggi, District of Kota Tinggi, Johor, on en bloc basis for a total cash consideration of RM28.3 million ("KT Acquisition"). The KT SPA was declared unconditional on 14 July 2015. The KT Acquisition has yet to be completed.

(b) 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 Warrants ("Rights Issue")

The gross proceeds of RM66.12 million received from the Rights Issue which was completed on 19 March 2014 had been fully utilised as planned.

B8. Group Borrowing and Debts Securities

The Group's borrowing and debts securities as at 30 June 2015 are as follows:

	RM'000
Long term borrowings	
Secured:	
Hire purchase creditors	15,208
Term loans	35,844
	51,052
Short term borrowings	
Secured:	
Bank overdraft	9,408
Hire purchase creditors	7,905
Bankers' acceptance	35,568
Term loans	21,369
	74,250

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 30.6.2015 RM'000	Group 31.12.2014 RM'000
Total retained earnings		
- Realised	189,543	172,336
- Unrealised	10,553	7,476
	200,096	179,812
Less : Consolidation adjustments	(4,230)	(2,225)
Total Group retained earnings as per consolidated accounts	195,866	177,587

B11. Dividends

(a) A final single-tier dividend of 3.8 sen per share in respect of the financial year ended 31 December 2014 was approved by the shareholders at the Annual General Meeting held on 22 June 2015. The dividend was paid on 19 August 2015.

(b) The Board of Directors does not recommend the payment of an interim dividend for the financial quarter ended 30 June 2015.

(c) Dividend declared during the previous year's corresponding period:

A final single-tier dividend of 3.0 sen per share in respect of the financial year ended 31 December 2013.

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**	
	30.6.2015	**30.6.2014**	**30.6.2015**	**30.6.2014**
Profit attributable to equity holder of the Group (RM'000)	15,584	7,650	29,700	26,619
Number of ordinary shares in issue ('000)	300,553	300,562^	300,553	285,498^
Basic earnings per share (RM)	0.05	0.03	0.10	0.09

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