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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/9/2015 RM'000	**Preceding Year Quarter^ 30/9/2014 RM'000**	**Current Year To Date 30/9/2015 RM'000**	**Preceding Year To Date^ 30/9/2014 RM'000**
Revenue	241,061	290,646	821,690	929,961
Cost of sales	(210,263)	(268,771)	(733,227)	(849,447)
Gross profit	30,798	21,875	88,463	80,514
Other income	2,476	2,074	6,909	6,085
Selling and administrative expenses	(6,974)	(11,006)	(27,384)	(32,528)
Finance costs	(2,468)	(2,696)	(7,190)	(8,860)
Share of profit of a joint venture	2,766	1,419	5,844	2,647
Profit before tax	26,598	11,666	66,642	47,858
Income tax expense	(6,999)	(2,904)	(17,343)	(12,477)
Profit net of tax	19,599	8,762	49,299	35,381
Other comprehensive income	(36)	2	(58)	1
Total comprehensive income for the period	19,563	8,764	49,241	35,382
Profit attributable to :				
Owners of the Company	19,599	8,762	49,299	35,381
Earnings Per Share (RM)				
- Basic (2)	0.07	0.03	0.16	0.12
- Diluted (2)	N/A	N/A	N/A	N/A
Total comprehensive income attributable to :				
Owners of the Company	19,563	8,764	49,241	35,382

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
Unaudited Condensed Consolidated Statements of Financial Position
As at 30 September 2015

	Unaudited As at 30/9/2015 RM'000	Audited As at 31/12/2014 RM'000
Assets		
Non- current assets		
Property, plant and equipment	154,867	160,853
Investment properties	327	327
Other investments	75	90
Investment in a joint venture	7,646	3,425
Deferred tax assets	4,667	5,794
	167,582	170,489
Current assets		
Properties held for sale	1,829	1,829
Property Development costs	41,970	14,268
Inventories	16,674	21,119
Trade and other receivables	480,031	349,391
Other current assets	138,728	249,117
Cash and bank balances	98,340	84,671
	777,572	720,395
TOTAL ASSETS	945,154	890,884
EQUITY AND LIABILITIES		
Current liabilities		
Income tax payable	11,288	5,558
Loans and borrowings	81,939	111,237
Trade and other payables	311,208	314,985
Other current liability	56,723	8,805
	461,158	440,585
Net current assets	316,414	279,810
Non-current liabilities		
Loans and borrowings	45,671	49,782
TOTAL LIABILITIES	506,829	490,367
Net assets	438,325	400,517
Equity		
Share capital	150,281	150,281
Share premium	37,795	37,795
Treasury shares	(24)	(12)
Other reserves	34,808	34,866
Retained earnings	215,465	177,587
Total equity	438,325	400,517
TOTAL EQUITY AND LIABILITIES	945,154	890,884
Net Assets Per Share Attributable to owners of the Company (RM)	1.46	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
Unaudited Condensed Consolidated Statement of Cash Flow
For The Period Ended 30 September 2015

	Current Year To Date 30/9/2015 RM'000	Preceding Year To Date^ 30/9/2014 RM'000
Operating activities		
Profit before tax	66,642	47,858
Adjustment for :		
Unrealised foreign exchange (gain)/loss	(6,472)	1,155
Depreciation	15,959	18,718
Allowance for impairment on trade receivables	366	478
Impairment of intangible assets	3	-
Gain on disposal of property, plant and equipment	(74)	(33)
Fixed assets written off	9	21
Interest expenses	4,931	6,810
Interest income	(1,190)	(821)
Share of profit of a joint venture	(5,844)	(2,647)
Operating cash flows before changes in working capital	74,330	71,539
Changes in working capital		
Development property	(27,702)	24,154
Inventories	4,444	(5,506)
Receivables	(142,403)	(53,301)
Other current assets	127,221	(13,848)
Payables	(3,414)	37,807
Other current liabilities	47,918	141
Cash flows generated from operations	80,394	60,986
Interest paid	(4,931)	(6,810)
Tax paid	(8,863)	(4,409)
Interest received	1,190	821
Net cash flows generated from operating activities	67,790	50,588
Investing activities		
Purchase of property, plant and equipment	(10,022)	(10,615)
Proceeds from disposal of property, plant & equipment	114	117
Purchase of property held for sales	-	(40)
Proceeds from disposal of intangible asset	15	-
Net cash outflow on investment in subsidiary	(3)	-
Purchase of treasury shares	(12)	-
Net cash flows used in investing activities	(9,908)	(10,538)
Financing activities		
Proceeds from issuance of shares	-	66,124
Share issuance expenses	-	(1,205)
Dividend paid	(11,421)	(9,017)
Repayment of loans and borrowings	(39,010)	(26,106)
Repayment of advance against progressive claims	-	(17,002)
Repayment to hire purchase creditors	(2,605)	(4,459)
Net cash flows (used in)/from financing activities	(53,036)	8,335
Net increase in cash and cash equivalents	4,846	48,385
Effects of exchange rate changes on cash and cash equivalents	616	13
Cash and cash equivalents at beginning of financial period	78,074	8,055
Cash and cash equivalents at end of financial period	83,536	56,453
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	98,340	59,129
Bank overdrafts (included within short term borrowings)	(14,804)	(2,676)
	83,536	56,453

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
Unaudited Condensed Consolidated Statement of Changes in Equity
As at 30 September 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 30 September 2015							
Balance At 1/1/2015	150,281	37,795	(12)	34,865	1	177,587	400,517
Total comprehensive income for the period	-	-	-	-	(58)	49,299	49,241
Transactions with owner							
Purchase of treasury shares	-	-	(12)	-	-	-	(12)
Dividend payment (as detailed in Note B11)	-	-	-	-	-	(11,421)	(11,421)
At 30/9/2015	**150,281**	**37,795**	**(24)**	**34,865**	**(57)**	**215,465**	**438,325**
YTD ended 30 September 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	35,381	35,382
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	-	(1,205)	-	-	-	-	(1,205)
Dividend payment (as detailed in Note B11)	-	-	-	-	-	(9,017)	(9,017)
At 30/9/2014	**150,281**	**37,795**	**-**	**34,865**	**11**	**168,370**	**391,322**

(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

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial year-to-date:

- Repurchase of 10,000 of the Company's issued ordinary shares from the open market at an average price of RM1.15 per share during the current financial quarter. The total consideration paid for the repurchase including transaction costs amounting to RM11,584 was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 September, the number of treasury shares held were 20,000 shares.

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 September 2015 are as follows:-

	RM'000
Approved and contracted for	615

The capital commitment is mainly for the purchase of mould and formworks.

A11. Property, Plant and Equipment

The Group acquired property, plant and equipment amounting to RM10.02 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 September 2015:

	Construction	Manufacturing & Trading	Property Development	Investment	Elimination	Consolidated
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	681,185	138,410	1,874	221	0	821,690
Inter-segment sales	12,694	4,721	8	12,014	(29,437)	0
Total revenue	693,879	143,131	1,882	12,235	(29,437)	821,690
RESULTS						
Profit from operations	55,455	35,460	328	12,235	(15,015)	88,463
Other operating income						6,909
Selling and administrative expenses						(27,384)
Finance costs						(7,190)
Share of profit of a joint venture						5,844
Profit before tax						66,642
Income tax expense						(17,343)
Profit net of tax						49,299
Segment Assets	623,586	243,919	76,020	223,720	(222,091)	945,154
Segment Liabilities	367,710	158,003	34,808	440	(54,132)	506,829

The segment revenue and results for the financial period ended 30 September 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	737,472	145,767	46,462	260	0	929,961
Inter-segment sales	3,939	6,989	-	10,236	(21,164)	0
Total revenue	741,411	152,756	46,462	10,496	(21,164)	929,961
RESULTS						
Profit from operations	41,769	23,406	15,370	10,496	(10,527)	80,514
Other operating income						6,085
Selling and administrative expenses						(32,528)
Finance costs						(8,860)
Share of profit of a joint venture						2,647
Profit before tax						47,858
Income tax expense						(12,477)
Profit net of tax						35,381
Segment Assets	597,977	270,824	32,620	224,129	(220,712)	904,838
Segment Liabilities	371,372	201,333	16,537	605	(76,330)	513,517

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 19 November 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

Save as disclosed below, there were no changes in the composition of the Group during the financial year-to-date:

(i) Kimlun Land Sdn Bhd ("KLLSB"), a wholly owned subsidiary of the Company, had on 8 May 2015, acquired the entire issued and paid-up capital of Kitaran Lintas Sdn Bhd ("KLS") comprising 2 ordinary shares of RM1.00 each for a total cash consideration of RM3,500, thereby making KLS an indirect wholly-owned subsidiary of the Company.

(ii) On 18 November 2015, the Company incorporated a wholly-owned subsidiary in Malaysia under the name of KL Building Materials Sdn Bhd ("KLBM"). The initial authorised capital of KLBM is RM400,000 divided into 400,000 ordinary shares of RM1.00 each and paid up capital is RM2.00 divided into 2 ordinary shares of RM1.00 each.

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 September 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	46,240	2,151
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	9,506	6,215

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") 2015 vs Quarter 3 FY2014

The Group achieved revenues of RM241.06 million during the current quarter, which is 17.1% lower as compared to RM290.65 million registered in last year's corresponding quarter.

Gross profit of the Group of RM30.80 million for the current quarter is RM8.92 million or 40.8% higher than the RM21.88 million achieved in last's corresponding quarter.

Profit after tax of the Group of RM19.60 million for the current quarter is 123.7% higher than the profit after tax registered in the previous year's corresponding quarter.

(b) 9 Months Ended 30 September 2015 ("Current Period") vs 9 Months Ended 30 September 2014 ("LY Corresponding Period")

The Group achieved revenues of RM821.69 million during the Current Period, which is 11.6% lower as compared to RM929.96 million registered in LY Corresponding Period.

Gross profit of the Group of RM88.46 million for the Current Period is 9.9% higher than the RM80.51 million achieved in LY Corresponding Period.

Profit after tax of the Group of RM49.30 million for the Current Period is RM13.92 million or 39.3% higher than the RM35.38 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 RM41.44 million, or 16.9%, and RM47.53 million or 6.41% 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 RM7.58 million or 15.2%, and RM9.63 million or 6.3% 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 completed during the Current Period. The decline in SBG sales revenue by approximately RM52 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 RM1.88 million, attributable to a new residential development in Johor. For the Current Period, property development revenue was lower by RM44.58 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 7.0%.

The Group's gross profit margin improved from 7.5% in last year's corresponding quarter to 12.8% in the current quarter, and from 8.7% in LY Corresponding Period to 10.8% 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 50% of the revenue of last year's corresponding period was contributed by the lower margin KVMRT SBG sales orders. In addition, the depreciation of Ringgit Malaysia against the Singapore Dollar, and a higher proportion of revenue was contributed by the better margin TLS and jacking pipes sales orders, during the current quarter and Current Period also contributed to the improvement of gross profit margin during the period.

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 RM8.92 million and RM7.95 million in the current quarter and Current Period respectively, compared to last year's 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 35.9% compared to LY Corresponding Period.

For the current quarter, selling and administrative expenses declined by RM4.03 million compared to last year corresponding quarter, mainly due to:

(i) foreign exchange gains of RM3.21 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 RM0.17 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 RM5.14 million compared to LY Corresponding Period due to foreign exchange gains of RM4.77 million, as opposed to foreign exchange loss of RM1.37 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 RM3.20 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 100.3% in the Current Period.

(b) Group Cash Flow Review

The Group registered net cash inflow from operating activities of RM67.79 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 and manufacturing and trading divisions. 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 decline in manufacturing revenue was mainly due to lower sales of TLS, as the supply to one of the TLS sales orders was toward the tile end.

Despite of lower revenue achieved, the Group recorded a higher gross profit in the current quarter, on the back of improved gross profit margin of the construction and manufacturing divisions. Selling and administrative expenses were lower in the current quarter as compared to the preceding quarter mainly due to the increase in foreign exchange gains by RM1.65 million, partially offset by the increase in carriage outward by RM0.67 million in line with higher delivery of finished goods to customers. Share of profit of a joint venture was higher in the current quarter as compared to the preceding quarter due to relatively higher construction progress, during the current quarter. As a result of the increase in gross profit and share of profit of a joint venture, and the decline in selling and administrative expenses, 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 RM0.94 billion and RM0.20 billion respectively as at 30 September 2015. The balance order book together with the estimated unbilled property sales value of RM41 million from the Hyve on a 78% 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 30.9.2015 RM'000	Cumulative Quarter 9 months ended 30.9.2015 RM'000
(a)	interest income	454	1,190
(b)	other income including investment Income	2,022	5,645
(c)	interest expense	1,567	4,931
(d)	depreciation and amortization	4,865	15,959
(e)	provision for and write off of receivables	81	366
(f)	provision for and write off of inventories	0	2,000
(g)	(gain) or loss on disposal of quoted or unquoted investments or properties	0	(74)
(h)	impairment of assets	3	3
(i)	foreign exchange (gain) or loss	(3,211)	(4,775)
(j)	gain or loss on derivatives	0	0
(k)	exceptional items	0	0

B6. Taxation

	Current Quarter 3 months ended 30.9.2015 RM'000	Cumulative Quarter 9 months ended 30.9.2015 RM'000
In respect of the current period		
- Income tax	5,588	16,193
- Deferred tax	1,404	1,101
	6,992	17,294
In respect of prior year		
- Income tax	25	67
- Deferred tax	(18)	(18)
	6,999	17,343

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 status of corporate proposals as announced by the Company, 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, KLLSB 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 SPA was declared unconditional on 26 October 2015, and the Acquisition was completed on 3 November 2015.

(iii) On 13 May 2015, the Company's wholly-owned subsidiary, KLS 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, and the KT Acquisition was completed on 12 October 2015.

(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 September 2015 are as follows:

	RM'000
Long term borrowings	
Secured:	
Hire purchase creditors	13,221
Term loans	32,450
	45,671
Short term borrowings	
Secured:	
Bank overdraft	14,804
Hire purchase creditors	7,944
Bankers' acceptance	38,389
Term loans	20,802
	81,939

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 30.9.2015 RM'000	**Group 31.12.2014 RM'000**
Total retained earnings		
- Realised	208,926	172,336
- Unrealised	11,988	7,476
	220, 914	179,812
Less : Consolidation adjustments	(5,449)	(2,225)
Total Group retained earnings as per consolidated accounts	215,465	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 September 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 owners of the Company by the weighted average number of ordinary shares in issue during the financial period as follow:

	Current Quarter Ended		**Year to-Date Ended**	
	30.9.2015	**30.9.2014**	**30.9.2015**	**30.9.2014**
Profit attributable to owners of the Company (RM'000)	19,599	8,762	49,299	35,381
Number of ordinary shares in issue ('000)	300,543	300,562^	300,543	290,575^
Basic earnings per share (RM)	0.07	0.03	0.16	0.12

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