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

	Individual Quarter		Cumulative Period		
	Current Year Quarter 31/12/2013 RM'000	**Preceeding Year Quarter 31/12/2012 RM'000**	**Current Year To Date 31/12/2013 RM'000**		**Preceeding Year To Date 31/12/2012 RM'000**
Revenue	275,058	235,412	951,153		896,557
Cost of sales	(251,519)	(215,487)	(863,865)		(805,731)
Gross profit	23,539	19,925	87,288		90,826
Other income	1,809	1,315	5,960		5,233
Selling and administrative expenses	(12,709)	(7,809)	(43,638)		(28,526)
Finance costs	(3,173)	(2,191)	(11,457)		(6,798)
Profit before tax	9,466	11,240	38,153		60,735
Income tax expense	3,964	1,112	(1,953)		(11,350)
Profit net of tax	13,430	12,352	36,200		49,385
Other comprehensive income	5	(10)	5		1
Total comprehensive income for the period	13,435	12,342	36,205		49,386
Profit attributable to :					
Owners of the Company	13,538	12,350	36,438		49,501
Non-controlling interests	(108)	2	(238)		(116)
	13,430	12,352	36,200	#	49,385
Earnings Per Share (RM)					
- Basic (2)	0.06	0.05	0.15		0.21
- Diluted (2)	N/A	N/A	N/A		N/A
Total comprehensive income attributable to :					
Owners of the Company	13,543	12,340	36,443		49,502
Non-controlling interests	(108)	2	(238)		(116)
	13,435	12,342	36,205	#	49,386

Notes:

(1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying notes attached to the interim financial statements.

(2) Please refer to Note B12 for details.

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statements of Financial Position
As at 31 December 2013

	Unaudited As at 31/12/2013 RM'000	Audited As at 31/12/2012 RM'000
Assets		
Non- current assets		
Property, plant and equipment	157,599	128,275
Investment properties	327	327
Other investments	90	90
Deferred tax assets	5,543	-
	163,559	128,692
Current assets		
Properties held for sale	389	850
Property Development costs	60,001	50,399
Inventories	16,977	22,153
Trade and other receivables	357,291	307,380
Other current assets	227,730	178,930
Cash and bank balances	32,127	44,727
	694,515	604,439
TOTAL ASSETS	858,074	733,131
EQUITY AND LIABILITIES		
Current liabilities		
Income tax payable	88	2,368
Loans and borrowings	131,942	103,780
Trade and other payables	315,560	269,145
Other current liability	7,378	15,327
	454,968	390,620
Net current assets	239,547	213,819
Non-current liabilities		
Loans and borrowings	103,183	66,052
Deferred tax liabilities	-	1,199
	103,183	67,251
TOTAL LIABILITIES	558,151	457,871
Net assets	299,923	275,260
Equity		
Share capital	120,225	120,225
Share premium	37,798	37,798
Translation reserve	10	4
Retained earnings	141,792	116,896
Equity attributable to owners of the Company	299,825	274,923
Non-controlling interests	98	337
Total equity	299,923	275,260
TOTAL EQUITY AND LIABILITIES	858,074	733,131
Net Assets Per Share Attributable to owners of the Company (RM)	1.25	1.14

Notes:

(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying notes attached to the interim financial statements.

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Cash Flow
For The Period Ended 31 December 2013

	Current Year To Date 31/12/2013 RM'000	Preceeding Year To Date 31/12/2012 RM'000
Operating activities		
Profit before tax	38,153	60,735
Adjustment for :		
Unrealised foreign exchange gain	(1,094)	(1,284)
Depreciation	19,003	8,597
Bad debts	55	-
Gain on disposal of property, plant and equipment	(194)	(66)
Loss on disposal of properties held for resale	-	1
Transfer of fixed asset to Profit and Loss	-	56
Reversal of fixed asset from Profit and Loss	(20)	-
Interest expenses	9,161	5,069
Interest income	(619)	(863)
Operating cash flows before changes in working capital	64,445	72,245
Changes in working capital		
Development property	(9,602)	(30,350)
Inventories	5,175	(9,667)
Receivables	(54,827)	(82,398)
Other current assets	(37,500)	(50,051)
Payables	41,453	56,901
Other current liabilities	(7,949)	4,531
Cash flows from/(used in) operations	1,195	(38,789)
Interest paid	(9,161)	(5,069)
Tax paid	(10,974)	(17,233)
Interest received	619	863
Net cash flows used in operating activities	(18,321)	(60,228)
Investing activities		
Purchase of property, plant and equipment	(38,416)	(75,655)
Proceeds from disposal of property, plant & equipment	273	66
Proceeds from disposal of property held for resale	-	415
Purchase of property held for resale	(9)	(380)
Net cash flows used in investing activities	(38,152)	(75,554)
Financing activities		
Proceeds from issuance of shares	-	17,175
Proceeds from issuance of shares by a subsidiary to non-controlling interests	-	441
Share issuance expenses	-	(430)
Dividend paid	(11,542)	(7,454)
Proceeds from loans and borrowings	42,691	70,886
Proceeds from advance against progresive claims	1,724	15,278
Repayment to hire purchase creditors	(5,182)	(4,390)
Net cash flows from financing activities	27,691	91,506
Net decrease in cash and cash equivalents	(28,782)	(44,276)
Effects of exchange rate changes on cash and cash equivalents	93	69
Cash and cash equivalents at beginning of financial period	34,034	78,241
Cash and cash equivalents at end of financial period	5,345	34,034
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	32,127	44,727
Bank overdrafts (included within short term borrowings)	(26,782)	(10,693)
	5,345	34,034

Notes:
(1) The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying notes attached to the interim financial statements

Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Changes in Equity
As at 31 December 2013

	Attributable to owners of the parent							
	<----------------- Non-distributable		----------------->	Distributable				
	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Sub-Total	Non-controlling interest	Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
YTD ended 31 December 2013								
Balance At 1/1/2013	120,225	37,798	4	116,896	274,923	337	275,260	
Total comprehensive income for the period	-	-	6	36,438	36,444	(239)	36,205	
Transactions with owner								
Dividend payment (as detailed in Note B11)	-	-	-	(11,542)	(11,542)	-	(11,542)	
At 31/12/2013	**120,225**	**37,798**	**10**	**141,792**	**299,825**	**98**	**299,923**	-
YTD ended 31 December 2012 (2)								
Balance At 1/1/2012	114,500	26,778	3	74,849	216,130	12	216,142	
Total comprehensive income for the period	-	-	1	49,501	49,502	(116)	49,386	
Transactions with owner								
Dividend payment (as detailed in Note B11)	-	-	-	(7,454)	(7,454)	-	(7,454)	
Issuance of ordinary shares pursuant to private placement	5,725	11,450	-	-	17,175	-	17,175	
Share issue expenses	-	(430)	-	-	(430)	-	(430)	
Share issuance by a subsidiary	-	-	-	-	-	441	441	
At 31/12/2012	120,225	37,798	4	116,896	274,923	337	275,260	

(1) The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying notes attached to the interim financial statements

NOTES TO THE REPORT

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARDS ("FRS") 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2012.

The interim financial report contains condensed combined financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The interim combined financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSs.

A2. Changes in accounting policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs ("Amendments") and Issues Committee ("IC") Interpretations with effect from 1 January 2013:

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

The adoption of the above FRSs, IC interpretations and Amendments do not have material impact on the financial statements of the Group.

The Group has not adopted the Malaysian Financial Reporting Standards (MFRS) in this interim financial report as the Group falls within the scope of IC Interpretation 15 Agreements for Construction of Real Estate, thereby the adoption of the MFRS will be deferred to annual periods beginning 1 January 2014.

A3. Auditor's report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2012.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5. Items of Unusual Nature

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow during the financial year-to-date.

A6. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the financial year-to-date.

A7. Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial year-to-date.

A8. Dividend Paid

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

A9. Segmental Information

The Group is organized into the following operating segments:-

a) Construction;
b) Manufacturing of concrete products and trading of building materials;
c) Property development; and
c) investment

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

	Construction	Manufacturing & Trading	Property Development	Investment	Elimination	Consolidated
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	740,413	191,264	19,340	136	0	951,153
Inter-segment sales	19,695	8,750	165	12,365	(40,975)	0
Total revenue	760,108	200,014	19,505	12,501	(40,975)	951,153
RESULTS						
Profit from operations	46,466	36,471	5,052	12,501	(13,202)	87,288
Other operating income						5,960
Selling and administrative expenses						(43,638)
Finance costs						(11,457)
Profit before tax						38,153
Income tax expense						(1,953)
Profit net of tax						36,200
Segment Assets	527,581	254,720	85,051	158,516	(167,794)	858,074
Segment Liabilities	344,647	184,818	81,916	145	(53,375)	558,151

A10. Valuation of property, plant and equipment

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

A11. Capital commitments

Capital commitment for property, plant and equipment not provided for as at 31 December 2013 are as follows:-

	RM'000
Approved and contracted for	3,564

The capital commitment is mainly for the acquisition of formworks, tower cranes and passengers hoists required for our construction business.

A12. Property, Plant and Equipment

The Group acquired property, plant and equipment amounting to RM48.39 million, mainly incurred for the construction of 2 pre-cast components factories ("New Factories") in Negeri Sembilan, the purchase of plant & machinery for the New Factories, and moulds, tower cranes and passenger hoists required for our construction business during the financial year-to-date.

A13. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the current financial quarter up to 20 February 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 December 2013 (RM'000)
Provision of construction services to a company in which the Company's director, Pang Tin @ Pang Yon Tin has substantial financial interest	73,264	24,262
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	13,681	9,861

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 4 Financial Year Ending 31 December (“FY”) 2013 vs Quarter 4 FY2012

The Group achieved revenues of RM275.06 million during the current quarter, which is 16.8% higher as compared to RM235.41 million registered in the previous year’s corresponding quarter.

Profit after tax of the Group of RM13.43 million for the current quarter is RM1.08 million or 8.7% higher than the RM12.35 million achieved in the previous year’s corresponding quarter.

(b) 12 Months Ended 31 December 2013 (“Current Period”) vs 12 Months Ended 31 December 2012 (“LY Corresponding Period”)

The Group achieved revenues of RM951.15 million during the Current Period, which is 6.1% higher as compared to RM896.56 million registered in LY Corresponding Period.

Profit after tax of the Group of RM36.20 million for the Current Period is RM13.18 million or 26.7% lower than the RM49.38 million achieved in LY Corresponding Period.

(c) Performance review

The construction division continued to be the main revenue contributor to the Group, attributing approximately 78% of the current quarter’s and Current Period’s revenue. For the current quarter, construction revenue improved marginally by RM6.58 million, or 3.11%, compared to last year’s corresponding quarter. For the Current Period, construction revenue declined by RM48.13 million, or 6.0% as compared to LY Corresponding Period despite of large balance order book in hand mainly due to:

(i) the revenue contribution from three large size projects during LY Corresponding Period. The three projects contributed approximately RM118 million to the revenue of LY Corresponding Period and were substantially completed as at end of LY Corresponding Period; and

(ii) the construction activities of some new larger size projects secured during the Current Period has yet to reach the stage of material revenue contribution.

For the current quarter, manufacturing and trading revenue improved by RM30.89 million, or 121.7% from last year’s corresponding quarter, whereas for the Current Period, manufacturing and trading revenue improved by RM105.83 million, or 112.4% as compared to LY Corresponding Period. The improvement in manufacturing and trading revenue in the current quarter and Current Period was due to the recognition of revenue from the supply of segmental box girders (“SBG”) and tunnel lining segments (“TLS”) to the Klang Valley Mass Rapid Transit system (“KVMRT”).

Following the soft launch of the Group’s maiden SOHO and offices property development project known as Cyber Bistari (Hyve) in Cyberjaya, Selangor(the “Hyve”) at end of year 2012, which is currently at early stage of construction, a small revenue was generated by the property development division in the current quarter and Current Period.

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

The Group's gross profit margin for the current quarter approximates that of the last year's corresponding quarter at 8.6%. The Group's gross profit margin declined from 10.1% in LY Corresponding Period to 9.2% in Current Period, due to lower gross profit margin derived by the construction and manufacturing and trading divisions.

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

(i) Additional recruitment of manpower and substantial capital expenditures on acquisition of machineries and equipment, setting up of casting yard during the second half of year 2012 and the Current Period to meet the anticipated larger volume of construction work ahead, in particular for the construction of high rise buildings resulted in the increase in depreciation and payroll costs by RM1.7 mil and RM7.1 million as compared to last year's corresponding quarter and LY Corresponding Period respectively. The marginal incremental in revenue recognized during the current quarter and the lower revenue generated during the Current Period were unable to efficiently absorb the impact of the increase in these expenses; and

(ii) larger proportion of lower gross profit projects being carried out and the recognition of cost overrun in relation to few projects during the Current Period.

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

For the current quarter, the Group's gross profit increased by RM3.61 million as compared to last year's corresponding quarter, in line with higher revenue achieved during the current quarter. For the Current Period, the Group's gross profit declined by RM3.54 million as compared to LY Corresponding Period due to lower revenue and gross profit achieved by the construction division.

The increase in selling and administrative expenses during the current quarter and Current Period were mainly due to additional manpower and transportation services required to meet the requirements of increasing business activities during the financial period, and the incurrence of sales commission, documentation fees and promotion expenses subsequent to the launch of the Hyve.

Higher financing costs were incurred during the current quarter and Current Period in tandem with the increased borrowings to finance the huge capital expenditures in relation to the construction and set up of the New Factories, acquisition of plant and equipment for our construction business, and the working capital requirements of increasing business activities during the financial period.

Consequential upon the fluctuation in gross profit earned, higher selling and administrative expenses, as well as finance costs as detailed above, profit before taxation of the Group for the current quarter and Current Period declined by RM1.77 million and RM22.58 million respectively.

For the current quarter, the Group further recognized tax incentives arouse from the its investment in expanding its production capacity and thereupon, effective tax rate of the Group for the current quarter and Current Period was lower than the statutory tax rate.

Consequential upon the lower profit before taxation and taxation expense during the current quarter and Current Period, the Group's profit after taxation for the current quarter improved by RM1.08 million while the Group's profit after taxation for the Current Period declined by RM13.19 million as compared to last year's corresponding quarter and LY Corresponding Period respectively.

(c) Group Cash Flow Review

The Group experienced net operating cash outflow of RM18.32 million for the Current Period mainly due to:

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

(ii) working capital commitment for the development of the Cyber Bistari (Hyve) project.

Despite of the negative operating cash flow during the period, cash and cash equivalents of the Group stood at RM5.35 million as at 31 December 2013.

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

The Group recorded a 20.9% or RM47.64 million increase in revenue in the current quarter as compared to the preceding quarter, mainly attributable to improvement in revenue achieved by the construction division. The improvement in construction revenue was contributed by new projects which were secured during Current Period.

The Group's gross profit margin declined marginally from 8.8% in the preceding quarter to 8.6% in the current quarter.

The Group's profit before taxation for the current quarter increased by RM1.74 million as compared to the preceding quarter attributable to higher revenue achieved in the current quarter. The Group's profit after taxation for the current quarter improved by 94.7% or RM6.53 million as compared to the preceding quarter due to the improvement in profit before tax achieved and further recognition of tax incentives arouse from the Group's investment in expanding its production capacity in the current quarter.

B3. Prospects For 2014

The Board foresees 2014 as an exciting year for the Group on the back of estimated balance order book of approximately RM2.29 billion as at 31 December 2013. 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.

Construction Sector in Malaysia

Growth in the construction sector is projected to increase at a moderate pace of 9.6% in 2014 due to slower construction activity in the civil engineering subsector following the completion of several major infrastructure projects. However, the acceleration in implementation of transport and oil and gas related civil engineering projects will continue to support 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.

(Source: Chapter 3 – Economic Performances and Prospects, Economic Report 2013/ 2014, Ministry of Finance, Malaysia)

Construction Sector in Singapore

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, exceeding the upper-bound projection of SGD34 billion in 2013 by about 5%.

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)

In respect of Singapore's MRT System, the Land Transport Authority will roll out one (1) new line or line extension almost every year over the next seven (7) years. In 2014, Marina South Pier station, an extension of the North-South Line will be opened. Thereafter, the Downtown Line will be extended further with Stage 2, connecting Bukit Panjang to Bugis. The East-West Line will be extended in 2016 and the year after that, the Downtown Line will be completed by connecting Chinatown to Expo station. In 2019, three (3) stations on the new Thomson Line will be opened. In 2020, six (6) more stations will be added in the second phase, and when the final stretch opens in 2021, another 13 new stations will be opened there. A new 50KM Cross Island Line, a new 20KM Jurong Region Line will be built, and the Circle Line, the North East Line and the Downtown Line will be extended by 2030.

When all the current plans are implemented, the number of interchanges will be doubled from 15 to 30, and the rail network will double in length to 360KM.

(Source: Land Transport Authority Annual Report 2012/ 2013, 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 high capacity Mass Rapid Transit system with a total length of about 150 km in Klang Valley ("KVMRT") 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.

In relation to Singapore market, SPC is one of the few suppliers of TLS to Singapore MRT projects since 2006. Our Group believes that SPC will be in the position to bid for the supply of TSL to future MRT projects.

Our first property development project, the Hyve comprises a combination of 804 units of SOHO and offices for sale within the central business district of Cyberjaya, Selangor has achieved a take up rate of approximately 70% and 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 31.12.2013 RM'000	Cumulative Quarter 12 months ended 31.12.2013 RM'000
(a) interest income	1,656	5,231
(b) other income including investment Income	115	535
(c) interest expense	3,173	11,457
(d) depreciation and amortization	5,014	19,003
(e) provision for and write off of receivables	(450)	55
(f) provision for and write off of inventories	0	0
(g) (gain) or loss on disposal of quoted or unquoted investments or properties	38	194
(h) impairment of assets	0	0
(i) foreign exchange (gain) or loss	25	(831)
(j) gain or loss on derivatives	0	0
(k) exceptional items	0	0

B6. Taxation

	Current Quarter 3 months ended 31.12.2013 RM'000	Cumulative Quarter 12 months ended 31.12.2013 RM'000
In respect of the current period		
- Income tax	2,069	8,971
- Deferred tax	(6,025)	(6,853)
	(3,956)	2,118
In respect of prior year		
- Income tax	(16)	(277)
- Deferred tax	8	112
	(3,964)	1,953

The Group recorded a tax credit rather than tax expense for the current quarter due to the recognition of tax incentives arouse from the its investment in expanding its production capacity, in particular the New Factories.

B7. Status of Corporate Proposals and Utilisation of Gross Proceeds

(a) Renounceable rights issue of 60,112,500 new ordinary shares of RM0.50 each in Kimlun Corporation Berhad ("Kimlun" or "the Company") ("Kimlun Share(s)") ("Rights Share(s)") on the basis of one Rights Share for every four existing Kimlun Shares held together with 60,112,500 free detachable warrants ("Warrant(s)") on the basis of one Warrant for every one Rights Share subscribed for based on an entitlement date to be determined later ("Rights Issue with Warrants")

(i) Bursa Securities had, vide its letter dated 26 November 2013 approved the following:-

- Admission to the official list of Bursa Securities and the listing of and quotation for the Warrants to be issued pursuant to the Rights Issue with Warrants;
- Listing of the Rights Shares to be issued pursuant to the Rights Issue with Warrants; and
- Listing of the new Kimlun Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities

subject to the following conditions:

Conditions	Status of compliance
• Kimlun and the principal adviser to the Rights Issue with Warrants ("Principal Adviser") must fully comply with the relevant provisions under the Main Market	Noted

Conditions	Status of compliance
Listing Requirements of Bursa Securities pertaining to the implementation of the Rights Issue with Warrants;	
• Kimlun and the Principal Adviser to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied
• Kimlun to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed; and	To be complied
• Kimlun to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable pursuant to the Rights Issue with Warrants.	To be complied

(ii) On 2 January 2014, our shareholders approved the Rights Issue with Warrants;

(iii) On 28 January 2014, Kimlun announced that the issue price of the Rights Shares and the exercise price of the Warrants have been fixed at RM1.10 per Rights Share and RM1.68 per Warrant, respectively; and

(iv) On 4 February 2014, Kimlun announced amongst other that the entitlement date has been fixed on 18 February 2014 at 5.00 p.m., the last date and time for acceptance and payment has been fixed on 5 March 2014 at 5.00 p.m.

(b) The Group had fully utilised the gross proceeds of RM17.175 million from the private placement which was completed on 14 March 2012 as planned during the current quarter.

B8. Group Borrowing and Debts Securities

The Group's borrowing and debts securities as at 31 December 2013 are as follows:

	RM'000
Long term borrowings	
Secured:	
Hire purchase creditors	14,340
Term loans	88,843
	103,183
Short term borrowings	
Secured:	
Bank overdraft	26,782
Hire purchase creditors	5,015
Bankers' acceptance	79,250
Advance against progressive claim	17,002
Term loans and revolving credit	3,893
	131,942

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 31.12.2013 RM'000	**Group 31.12.2012 RM'000**
Total retained earnings		
- Realised	135,546	117,222
- Unrealised	8,156	320
	143,702	117,542
Less : Consolidation adjustments	(1,910)	(646)
Total Group retained earnings as per consolidated accounts	141,792	116,896

B11. Dividends

(a) The Board of Directors recommend 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 members at the forthcoming Annual General Meeting.

(b) Total dividend declared during the financial year-to-date was 4.8 sen per share in respect of the financial year ended 31 December 2012 which was approved by the shareholders at the Annual General Meeting held on 19 June 2013. The dividend was paid on 28 August 2013.

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

The final single-tier dividend of 3.1 sen per share in respect of the financial year ended 31 December 2011.

B12. Earnings Per Share ("EPS")

Basic EPS are calculated by dividing the profit attributable to equity holder of the Group by the number of ordinary shares in issue during the financial period as follow:

	Current Quarter Ended		**Year to-Date Ended**	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Profit attributable to equity holder of the Group (RM'000)	13,538	12,350	36,438	49,501
Number of ordinary shares in issue ('000)	240,450	238,323^	240,450	238,323^
Basic earnings per share (RM)	0.056	0.052#	0.152	0.208#

The diluted earnings per share are not shown as there were no dilutive instruments as at balance sheet date.

^: Weighted average ordinary shares in issue

#: Had the EPS been computed based on the number of ordinary shares in issue of 240.45 million shares, the EPS for preceding year quarter 31 December 2012 and preceding year to-date ended 31 December 2012 would be RM0.051 and RM0.206 respectively.