Kimlun Corporation Berhad
(Company No: 867077-X)
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the First Quarter Ended 31 March 2015

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/3/2015 RM'000	**Preceeding Year Quarter^ 31/3/2014 RM'000**	**Current Year To Date 31/3/2015 RM'000**	**Preceeding Year To Date^ 31/3/2014 RM'000**
Revenue	322,165	332,687	322,165	332,687
Cost of sales	(291,956)	(294,844)	(291,956)	(294,844)
Gross profit	30,209	37,843	30,209	37,843
Other income	2,116	1,920	2,116	1,920
Selling and administrative expenses	(12,737)	(10,794)	(12,737)	(10,794)
Finance costs	(2,463)	(3,381)	(2,463)	(3,381)
Share of profit of a joint venture	2,133	90	2,133	90
Profit before tax	19,258	25,678	19,258	25,678
Income tax expense	(5,142)	(6,709)	(5,142)	(6,709)
Profit net of tax	14,116	18,969	14,116	18,969
Other comprehensive income	(7)	1	(7)	1
Total comprehensive income for the period	14,109	18,970	14,109	18,970
Profit attributable to :				
Owners of the Company	14,116	18,969	14,116	18,969
Earnings Per Share (RM)				
- Basic (2)	0.05	0.07	0.05	0.07
- Diluted (2)	N/A	N/A	N/A	N/A
Total comprehensive income attributable to :				
Owners of the Company	14,109	18,970	14,109	18,970

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 31 March 2015

	Unaudited As at 31/3/2015 RM'000	Audited As at 31/12/2014 RM'000
Assets		
Non- current assets		
Property, plant and equipment	157,439	160,853
Investment properties	327	327
Other investments	75	90
Investment in a joint venture	4,979	3,425
Deferred tax assets	6,349	5,794
	169,169	170,489
Current assets		
Properties held for sale	1,829	1,829
Property Development costs	35,672	14,268
Inventories	21,446	21,119
Trade and other receivables	467,059	349,391
Other current assets	176,216	249,117
Cash and bank balances	77,307	84,671
	779,529	720,395
TOTAL ASSETS	948,698	890,884
EQUITY AND LIABILITIES		
Current liabilities		
Income tax payable	7,727	5,558
Loans and borrowings	101,361	111,237
Trade and other payables	319,302	314,985
Other current liability	46,120	8,805
	474,510	440,585
Net current assets	305,019	279,810
Non-current liabilities		
Loans and borrowings	59,562	49,782
TOTAL LIABILITIES	534,072	490,367
Net assets	414,626	400,517
Equity		
Share capital	150,281	150,281
Share premium	37,795	37,795
Treasury shares	(12)	(12)
Other reserves	34,859	34,866
Retained earnings	191,703	177,587
Total equity	414,626	400,517
TOTAL EQUITY AND LIABILITIES	948,698	890,884
Net Assets Per Share Attributable to owners of the Company (RM)	1.38	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 31 March 2015

	Current Year To Date 31/3/2015 RM'000	Preceeding Year To Date^ 31/3/2014 RM'000
Operating activities		
Profit before tax	19,258	25,678
Adjustment for :		
Unrealised foreign exchange loss/(gain)	(423)	284
Depreciation	5,950	5,297
Allowance for impairment on trade receivables	285	-
Gain on disposal of property, plant and equipment	3	2
Interest expenses	1,763	2,706
Interest income	(343)	(219)
Share of profit of a joint venture	(2,133)	(90)
Operating cash flows before changes in working capital	24,360	33,658
Changes in working capital		
Development property	(21,405)	30,634
Inventories	(327)	(7,982)
Receivables	(127,830)	(16,059)
Other current assets	82,025	(28,886)
Payables	5,298	32,251
Other current liabilities	37,314	(1,515)
Cash flows generated from operations	(565)	42,101
Interest paid	(1,763)	(2,706)
Tax paid	(2,948)	(2,726)
Interest received	343	219
Net cash flows (used in)/from operating activities	(4,933)	36,888
Investing activities		
Purchase of property, plant and equipment	(2,545)	(2,303)
Proceeds from disposal of property, plant & equipment	6	72
Proceeds from disposal of intangible asset	15	-
Net cash flows used in investing activities	(2,524)	(2,231)
Financing activities		
Proceeds from issuance of shares	-	66,124
Share issuance expenses	-	(1,259)
(Repayment of)/Proceeds from loans and borrowings	(4,372)	(11,281)
(Repayment of)/Proceeds from advance against progresive claims	-	(17,002)
Proceeds from/(Repayment to) hire purchase creditors	1,264	(1,366)
Net cash flows (uesd in)/from financing activities	(3,108)	35,216
Net (decrease)/increase in cash and cash equivalents	(10,565)	69,873
Effects of exchange rate changes on cash and cash equivalents	188	23
Cash and cash equivalents at beginning of financial period	78,074	8,055
Cash and cash equivalents at end of financial period	67,697	77,951
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	77,307	103,646
Bank overdrafts (included within short term borrowings)	(9,610)	(25,695)
	67,697	77,951

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 31 March 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	-	-	-	-	(7)	14,116	14,109
At 31/3/2015	**150,281**	**37,795**	**(12)**	**34,865**	**(6)**	**191,703**	**414,626**
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	18,969	18,970
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	-	(1,259)	-	-	-	-	-1,259
At 31/3/2014	**150,281**	**37,741**	**-**	**34,865**	**11**	**160,975**	**383,873**

(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 31 March 2015 are as follows:-

	RM'000
Approved and contracted for	1,906

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 RM2.55 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 31 March 2015:

	Construction	Manufacturing & Trading	Property Development	Investment	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External sales	270,372	51,733	-	60	0	322,165
Inter-segment sales	4,341	1,562	-	599	(6,502)	0
Total revenue	274,713	53,295	-	659	(6,502)	322,165
RESULTS						
Profit from operations	18,237	12,815	-	659	(1,502)	30,209
Other operating income						2,116
Selling and administrative expenses						(12,737)
Finance costs						(2,463)
Share of profit of a joint venture						2,133
Profit before tax						19,258
Income tax expense						(5,142)
Profit net of tax						14,116
Segment Assets	624,076	252,636	64,267	224,159	(216,440)	948,698
Segment Liabilities	380,539	178,601	45,394	261	(70,723)	534,072

The segment revenue and results for the financial period ended 31 March 2014 restated for the adoption of Financial Reporting Standard 11 Joint Arrangement ("FRS 11"):

	Construction	Manufacturing & Trading	Property Development	Investment	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External sales	241,052	45,009	46,462	164	0	332,687
Inter-segment sales	2	2,362	-	370	(2,734)	0
Total revenue	241,054	47,371	46,462	534	(2,734)	332,687
RESULTS						
Profit from operations	15,484	6,848	15,370	534	(393)	37,843
Other operating income						1,920
Selling and administrative expenses						(10,794)
Finance costs						(3,381)
Share of profit of a joint venture						90
Profit before tax						25,678
Income tax expense						(6,709)
Profit net of tax						18,969
Segment Assets	572,378	266,687	20,991	224,902	(166,218)	918,740
Segment Liabilities	381,877	196,991	6,578	1,430	(52,009)	534,867

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 May 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 31 March 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	27,063	18,790
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	1,781	4,012

NOTES TO REPORT

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B1. Operating Segments Review*

(a) Quarter 1 Financial Year Ending 31 December (“FY”) 2015 vs Quarter 1 FY2014

The Group achieved revenues of RM322.16 million during the current quarter, which is 3.2% lower as compared to RM332.69 million registered in the previous year’s corresponding quarter.

Gross profit of the Group of RM30.21 million for the current quarter is RM7.63 million or 20.2% lower than the RM37.84 million achieved in the previous year’s corresponding quarter.

Profit after tax of the Group of RM14.12 million for the current quarter is RM4.85 million or 25.6% lower than the RM18.97 million achieved in the previous year’s corresponding quarter.

(b) Performance review

Higher revenue and gross profit were recorded in previous year’s corresponding quarter mainly due to the revenue and gross profit generated by the property development division from the disposal of few parcels of land (“Land Disposal”) which generated lumpy revenue and gross profit of RM46.46 million and RM15.40 million respectively. The decline in revenue and gross profit generated by the property development division in the current quarter was offset by the improvement in revenue and gross profit of the construction and manufacturing divisions.

Had the contribution of the Land Disposal been removed from previous year’s corresponding quarter’s results, the Group had indeed achieved a growth in revenue and gross profit of 12.6% and 34.6% respectively in the current quarter compared to previous year’s corresponding quarter.

The construction division continued to be the main revenue contributor to the Group, attributing 84**%** of the current quarter’s revenue. For the current quarter, construction revenue improved by RM33.66 million or 14.0%, compared to last year’s corresponding quarter. Construction revenue improved in the current quarter as few of the larger size projects which were secured in preceding years advances in percentage of completion.

For the current quarter, manufacturing and trading revenue improved by RM5.92 million, or 12.5% from last year’s corresponding quarter mainly due to the increase in revenue from the sales of tunnel lining segments (“TLS”) to Singapore.

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

The Group’s gross profit margin declined from 11.4% in last year’s corresponding quarter to 9.4% in the current quarter mainly due to the Land Disposal which had a higher gross margin.

The construction division achieved gross profit margin of 6.6% in the current quarter, which is slightly higher compared to 6.4% in last year’s corresponding quarter. The manufacturing and trading division derived better gross profit margin of 24.0% in the current quarter compared to 14.5% in last year’s corresponding quarter, mainly due to higher revenue contribution from better profit margin sales orders.

Selling and administrative expenses increased in line with the Group's increasing business activities. Financing costs was lower compared to last year's corresponding quarter mainly due to lower utilisation of banking facilities after the proceeds from the Rights Issue was used as working capital.

The Group's share of profit of a joint venture increased by RM2.04 million compared to last year's corresponding quarter on the back of further sales and further progress of the SOHO and offices property development project known as Cyber Bistari (Hyve) in Cyberjaya, Selangor carried out by the joint venture company.

Consequential upon lower gross profit earned, the net profit of the Group for the current quarter was lower.

(c) Group Cash Flow Review

The Group registered net cash outflow from operating activities of RM4.93 million for the current quarter, mainly due to further instalments payment made toward the acquisition of leases over two parcels of contiguous freehold land, the details of which are in note B7.

*: *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 higher revenue in the current quarter as compared to the preceding quarter, mainly attributable to the increases in external sales achieved by the construction division and manufacturing divisions. The increase in external sales of these two divisions were attributable to greater amount of construction works being executed and the increase in revenue from the sales of TLS to Singapore.

The Group recorded a better gross profit margin in the current quarter mainly due to improvement in the gross profit margin of construction division on economic of scale, and improvement in the gross profit margin of the manufacturing and trading division on higher revenue contribution from better profit margin sales orders. In line with the higher revenue and better gross profit margin achieved in the current quarter, higher profit before tax was achieved by the Group.

B3. Prospects For 2015

The Group's has an estimated construction and manufacturing balance order book of approximately RM1.01 billion and RM0.23 billion respectively as at 31 March 2015. The balance order book together with the estimated unbilled property sales value of RM73 million from the Hyve on a 75% 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 order book replenishment prospects remain encouraging.

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. It is currently bidding for further TLS sales orders from the 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 31.3.2015 RM'000	Cumulative Quarter 3 months ended 31.3.2015 RM'000
(a)	interest income	343	343
(b)	other income including investment Income	1,773	1,773
(c)	interest expense	1,763	1,763
(d)	depreciation and amortization	5,950	5,950
(e)	provision for and write off of receivables	285	285
(f)	provision for and write off of inventories	0	0
(g)	(gain) or loss on disposal of quoted or unquoted investments or properties	3	3
(h)	impairment of assets	0	0
(i)	foreign exchange (gain) or loss	(1)	(1)
(j)	gain or loss on derivatives	0	0
(k)	exceptional items	0	0

B6. Taxation

	Current Quarter 3 months ended 31.3.2015 RM'000	Cumulative Quarter 3 months ended 31.3.2015 RM'000
In respect of the current period		
- Income tax	5,118	5,118
- Deferred tax	24	24
	5,142	5,142
In respect of prior year		
- Income tax	0	0
- Deferred tax	0	0
	5,142	5,142

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

B7. Status of Corporate Proposals and Utilisation of Gross Proceeds

(a) The following corporate proposals as announced by the Company have not been completed as at the LPD:

(i) On 28 March 2013, the Company's wholly-owned subsidiary, Kimlun Medini Sdn Bhd entered into a conditional lease purchase agreement ("LPA") with Medini Land Sdn Bhd for the acquisition of 99-year lease over two parcels of contiguous freehold land with a total land area measuring 5.31 acres in Mukim of Pulai, District of Johor Bahru, Johor for a total cash consideration of RM31.06 million.

The LPA was declared unconditional on 11 April 2013. 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 Acquisition is pending fulfillment of the conditional precedent of the KT SPA.

(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 31 March 2015 are as follows:

	RM'000
Long term borrowings	
Secured:	
Hire purchase creditors	17,539
Term loans	42,023
	59,562
Short term borrowings	
Secured:	
Bank overdraft	9,611
Hire purchase creditors	7,495
Bankers' acceptance	65,595
Term loans	18,660
	101,361

B9. Material Litigation

There was no material litigation as at the LPD.

B10. Realised and Unrealised Profits

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits below is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities.

	Group 31.3.2015 RM'000	Group 31.12.2014 RM'000
Total retained earnings		
- Realised	186,720	172,336
- Unrealised	8,190	7,476
	194,910	179,812
Less : Consolidation adjustments	(3,207)	(2,225)
Total Group retained earnings as per consolidated accounts	191,703	177,587

B11. Dividends

The Board of Directors does not recommend the payment of an interim dividend for the financial quarter ended 31 March 2015. However, the Board of Directors recommended the payment of a final single-tier dividend of 3.8 sen per share in respect of the financial year ended 31 December 2014 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

This dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits for the financial year ending 31 December 2015.

No dividend was declared in the previous year's corresponding quarter.

B12. Earnings Per Share ("EPS")

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

	Current Quarter Ended		**Year to-Date Ended**	
	31.3.2015	**31.3.2014**	**31.3.2015**	**31.3.2014**
Profit attributable to equity holder of the Group (RM'000)	14,116	18,969	14,116	18,969
Number of ordinary shares in issue ('000)	300,553	270,266^	300,553	270,266^
Basic earnings per share (RM)	0.05	0.07#	0.07	0.07#

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

^: Weighted average ordinary shares in issue
#: Had the EPS been computed based on the weighted average number of ordinary shares in issue of 300.55 million shares, the EPS for preceding year quarter and year to-date ended 31 March 2014 would be RM0.06.