www.kimlun.com

KIMLUN CORPORATION BERHAD
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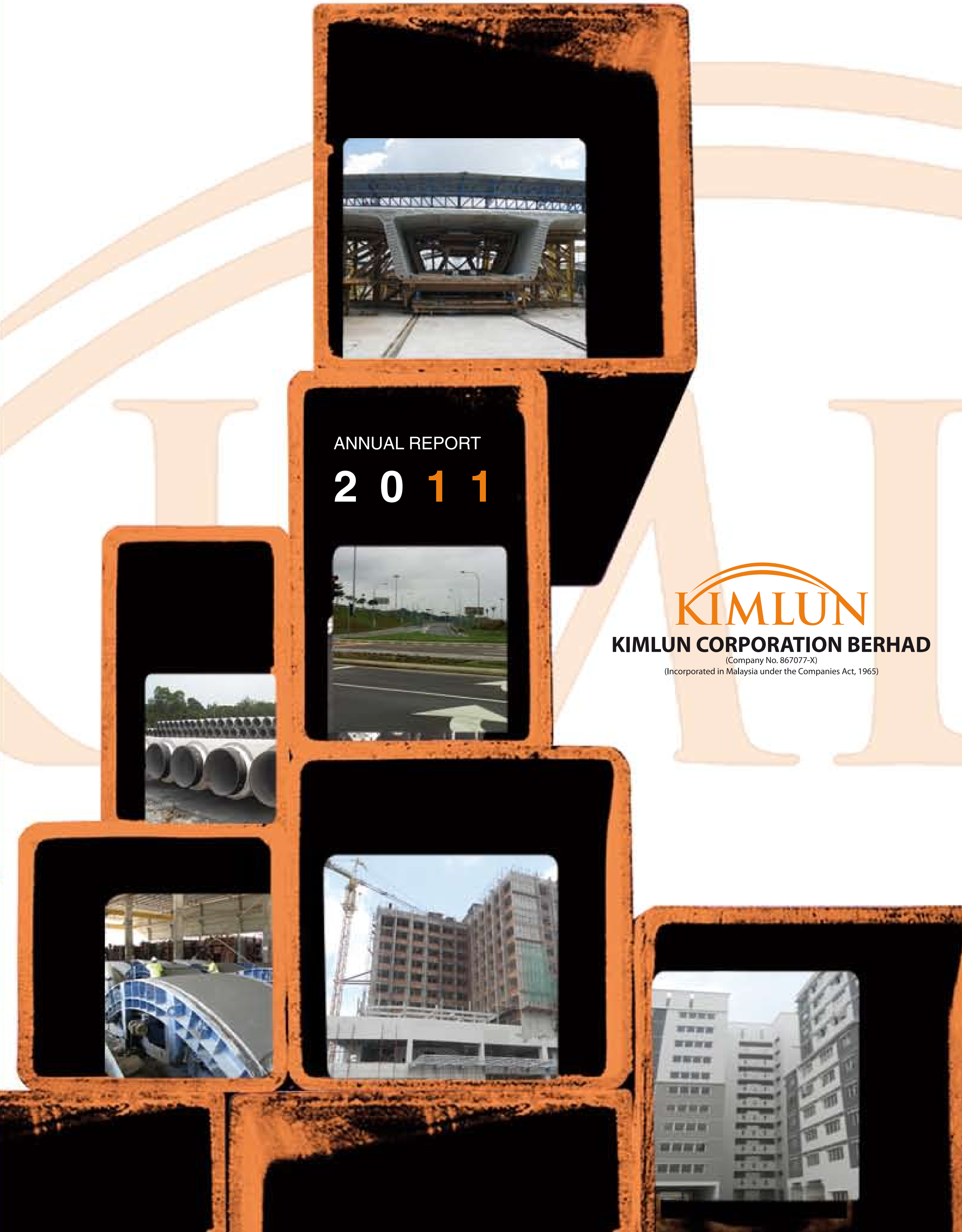
KIMLUN CORPORATION BERHAD (867077-X) ANNUAL REPORT 2011



KIMLUN

KIMLUN CORPORATION BERHAD

(Company No. 867077-X)
(Incorporated in Malaysia under the Companies Act, 1965)

MISSION

We aim to continuously improve, promote and provide construction activities and services to the society at which we operate. By providing one stop construction design and build services, we aim to add value to our clients that in turn will be beneficial to the society at large. We will treat all partners including suppliers, subcontractors and consultants with trust, honesty and fairness in all business dealings.

Towards our employees, we balance our focus on their personal skills development while taking care of their welfare.

While seeking for the maximization of shareholders' wealth, we strive to maintain harmony with the interest of the society to enhance our corporation's sustainability.

VISION

We aspire to be a reliable, innovative and profitable full range construction services and products provider in the South East Asia region.

CORPORATE VALUES

Knowledge

Integrity

Moral

Leadership

Unity

Novelty

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Pang Tin @ Pang Yon Tin	Executive Chairman
Sim Tian Liang	Chief Executive Officer and Executive Director
Chin Lian Hing	Executive Director
Yam Tai Fong	Executive Director
Pang Khang Hau	Executive Director
Phang Piow @ Pang Choo Ing	Non-Independent Non-Executive Director
Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah	Independent Non-Executive Director
Kek Chin Wu	Independent Non-Executive Director
Chua Kee Yat @ Koo Kee Yat	Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Kek Chin Wu
Independent Non-Executive Director

Members

Chua Kee Yat @ Koo Kee Yat
Independent Non-Executive Director

Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah
Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairman

Sim Tian Liang
Chief Executive Officer and Executive Director

Members

Chua Kee Yat @ Koo Kee Yat
Independent Non-Executive Director

Kek Chin Wu
Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman

Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah
Independent Non-Executive Director

Members

Chua Kee Yat @ Koo Kee Yat
Independent Non-Executive Director

Kek Chin Wu
Independent Non-Executive Director

COMPANY SECRETARIES

Ng Yen Hoong *(LS 008016)*
Wong Peir Chyun *(MAICSA 7018710)*
Tay Lee Shya *(MIA 16982)*

HEAD OFFICE

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Facsimile No. : (+603) 2282 2733

AUDITOR

Ernst & Young (AF: 0039)
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Corporate Structure

KIMLUN

KIMLUN CORPORATION BERHAD

- 100 % Kimlun Sdn Bhd
- 100 % SPC Industries Sdn Bhd
- 100 % Kimlun Land Sdn Bhd
  - 51% Posh Atlantic Sdn Bhd
- 100 % I-Buildtech Solutions Pte Ltd

Corporate Milestones

1977-2012

1977

- Our humble beginnings started when Kimlun Earthworks Sdn Bhd was incorporated

1994

- Kimlun Earthworks Sdn Bhd changed its name to Kimlun Sdn Bhd ("KLSB")

1997-2002

- KLSB involved in building construction and infrastructure projects with contract value less than RM20.0 million each in Johor, Malaysia

2002

- SPC Industries Sdn Bhd ("SPC") commenced its pre-cast concrete business

2003

- KLSB secured its first contract with a value exceeding RM20.0 million for the construction of apartments and townhouses
- SPC was accredited with ISO9001:2000 Quality Management

2004

- SPC supplied concrete sewerage tunnel segments to Pantai Trunk Sewerage Bored Tunnel project in Kuala Lumpur

2005

- KLSB ventured into specialised infrastructure construction by constructing the Tanjung Puteri flyover in Johor Bahru
- KLSB ventured into Klang Valley with the construction of 70 units of semi-detached houses
- SPC secured its first sales contract for the supply of concrete tunnel lining segments to Singapore MRT project

Continued Excellence

Corporate Milestones (cont'd)

Growth & Sustainability

2006

- KLSB secured specialised infrastructure construction project for the upgrading works of the Perling Interchange in Johor Bahru

2007

- KLSB was accredited the "ISO 9001:2000, Quality Management System" certification

2008

- KLSB secured the project for the construction of the elevated interchange along Johor Bahru Inner Ring Road – Package 3B Jalan Abu Bakar Interchange with a contract value exceeding RM100 million
- KLSB formed IBS Department to promote IBS construction methods
- I-Buildtech Solutions Pte Ltd ("IBT") was incorporated in Singapore

2009

- KLSB secured its first IBS building project from Iskandar Regional Development Authority at a contract value of RM142.81 million
- Kimlun Corporation Berhad was incorporated as an investment holding company

2010

- Kimlun Corporation Berhad acquired KLSB, SPC and IBT in conjuction with its proposed initial public offering exercise
- Kimlun Corporation Berhad was successfully listed on the Main Market of Bursa Malaysia Securities Berhad on 29 June 2010
- Kimlun Corporation Berhad incorporated a new wholly-owned subsidiary namely, Kimlun Land Sdn Bhd ("KLLSB")

2011

- KLLSB subscribed for fifty one thousand (51,000) ordinary shares of RM1.00 each, representing 51% of the total issued and paid-up share capital of Posh Atlantic Sdn Bhd ("PASB"). Upon completion of the subscription, PASB become a 51% owned subsidiary of KLLSB

2012

- SPC was appointed by Mass Rapid Transit Corporation Sdn. Bhd. as the designated supplier for the supply of segmental box girders ("SBG") to certain packages of the Projek Mass Rapid Transit Lembah Kelang: Jajaran Sungai Buloh-Kajang for RM223.18 million

Moving Forward

Directors' Profile

PANG TIN @ PANG YON TIN
Executive Chairman

Pang Tin @ Pang Yon Tin, a Malaysian aged 65, was appointed to the Board as Executive Chairman of Kimlun Corporation Berhad on 24 October 2009 and is responsible for overseeing the management of our Group.

He completed Senior Middle Three at Foon Yew High School in Johor Bahru, Johor, in 1966. He commenced his career in the construction industry in 1966 by assisting his late father in his construction business. He, together with Phang Piow @ Pang Choo Ing, incorporated Kimlun Sdn Bhd in 1977 to continue their venture in the construction industry. With the experience gained in the construction industry, he ventured into quarry business in 1970s and into property development in 1980s.

He has more than 30 years of experience in various sectors, encompassing property development, property investment, construction, quarrying, manufacturing and hotel management. He is a substantial shareholder and a Non-Executive Director of Focal Aims Holdings Bhd, a property development company listed on Bursa Securities. In addition, he also holds directorships in several private limited companies.

SIM TIAN LIANG
Chief Executive Officer & Executive Director

Sim Tian Liang, a Malaysian aged 58, was appointed to the Board as Chief Executive Officer of Kimlun Corporation Berhad on 24 October 2009 and is responsible for strategic planning and for the overall management of the Group. He is the Chairman of the Remuneration Committee.

He graduated from Universiti Teknologi Malaysia in 1978, obtaining a Bachelor Degree (Honours) in Engineering. Currently, he is the Immediate Past Chairman of the Institution of Engineers Malaysia Southern Branch and the Deputy President of Johor Master Builders Association. He is also a member of the Chartered Institution of Highway and Transportations of the UK.

He is a professional engineer registered with the Board of Engineers, Malaysia, and has been in the construction industry since 1978 where he commenced work as a civil engineer with the Malaysian Government. He joined Pang Hock Constructions Sdn Bhd (now known as Tebrau Bay Constructions Sdn Bhd) towards the end of 1996 and was appointed as its Project Director in 1997 where his responsibilities included overseeing, monitoring and management of building and infrastructure construction projects. In 2003, he left Pang Hock Constructions Sdn Bhd and joined Kimlun Sdn Bhd as Chief Executive Officer. His primary role is to oversee to the execution of corporate objectives, as well as to provide the strategic direction of the company.

CHIN LIAN HING
Executive Director

Chin Lian Hing, a Malaysian aged 48, was appointed to the Board as Executive Director of Kimlun Corporation Berhad on 24 October 2009 and is responsible for the operations and business development activities of our construction business.

He graduated from Tunku Abdul Rahman College, Malaysia, in 1988, obtaining a Diploma in Technology (Building). He holds a Bachelor Degree of Applied Science (Constructions Management and Economics) from Curtin University of Technology, Australia.

He has been in the construction industry since 1988 where he commenced work as an Assistant Quantity Surveyor in Rukumas Sdn Bhd, leaving in 1989 to join AJ Construction Sdn Bhd as a Quantity Surveyor. In 1990, he joined Hoon Lay Kien Construction also as a Quantity Surveyor. Thereafter, he joined Chin Kek Ling Transport in mid-1990 before leaving to join Pang Hock Constructions Sdn Bhd (now known as Tebrau Bay Constructions Sdn Bhd) in January 1992. During his time at Pang Hock Constructions Sdn Bhd, his last held position was General Manager (Operations and Contracts) and he was responsible for overseeing the tendering of building and infrastructure construction projects, and project implementation. He left Pang Hock Constructions Sdn Bhd in 2002 to join Kimlun Sdn Bhd, where he is responsible for the business development activities of the company.

YAM TAI FONG
Executive Director

Yam Tai Fong, a Malaysian aged 45, was appointed to the Board as Executive Director of Kimlun Corporation Berhad on 24 October 2009 and is responsible for all financial matters concerning our Group.

She graduated from Monash University, Australia, in 1990, obtaining a Bachelor Degree in Economics. Since 1994, she has been a member of the Malaysian Institute of Accountants.

She commenced her career at Ernst & Young, Malaysia, in 1991, with responsibilities for audit, taxation and corporate advisory matters, leaving in 1994 to join Pang Hock Constructions Sdn Bhd (now known as Tebrau Bay Constructions Sdn Bhd). Whilst at Pang Hock Constructions Sdn Bhd, she was responsible for the financial management and management reporting of its affairs. She left Pang Hock Constructions Sdn Bhd in 2003 to join Kimlun Sdn Bhd to assume similar responsibilities.

PANG KHANG HAU

Executive Director

Pang Khang Hau, a Malaysian aged 31, was appointed to the Board as Executive Director of Kimlun Corporation Berhad on 24 October 2009 and is responsible for the corporate affairs of our Group, including business development activities, public relations activities, human resource, administration and management.

He graduated from the University of Western Australia in 2005, obtaining a Bachelor Degree in Civil Engineering. He completed a Master of Business Administration degree at the University of Liverpool, UK, in 2010. He commenced his career in the construction industry in 2006 with his appointment as a Director of Kimlun Sdn Bhd where he is responsible for business development activities, human resource, administration and management.

PHANG PIOW @ PANG CHOO ING

Non-Independent Non-Executive Director

Phang Piow @ Pang Choo Ing, a Malaysian aged 70, was appointed to the Board as Non-Independent Non- Executive Director of Kimlun Corporation Berhad on 24 October 2009. He commenced his career in construction industry in 1960s by assisting his late father in his construction business. He, together with Pang Tin @ Pang Yon Tin, incorporated Kimlun Sdn Bhd in 1977 to continue their venture in construction industry. With his experience gained in construction industry, he ventured into quarry business in 1970s and into property development in 1980s.

He holds a Bachelor Degree in Business Administration from Honolulu University, US, and a Master Degree in Business Administration from Greenwich University, Australia.

He has more than 30 years of experience in various sectors, encompassing property development, property investment, construction, quarrying, manufacturing and hotel management. He is a substantial shareholder and a Non-Executive Director of Focal Aims Holdings Bhd, a property development company listed on Bursa Securities. In addition, he also holds directorships in several private limited companies.

DATO' PADUKA (DR.) IR. HJ. KEIZRUL BIN ABDULLAH

Independent Non-Executive Director

Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah, a Malaysian aged 61, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 24 October 2009. He is the Chairman of the Nomination Committee and a member of the Audit Committee.

He graduated from Universiti Malaya in 1975, obtaining a Bachelor Degree (Honours) in Civil Engineering. He has been involved in the field of civil engineering for the past 37 years. Upon graduation from Universiti Malaya, he joined the Department of Irrigation and Drainage (DID) Malaysia, and over an illustrious career, rose to become the Director General in November 1997 until his retirement from public service in December 2007. He was the Technical Advisor to the Minister of Natural Resources and Environment on national policies and strategies relating to these areas, and to the Minister of Agriculture and Agro-Based Industries in the fields of irrigation and agricultural drainage. He oversaw the development of a Flood Mitigation Master Plan for Kuala Lumpur and managed the SMART Tunnel Project (a unique and innovative flood mitigation project utilising a tunnel for both flood and traffic use) from conception to commissioning.

He has been very active in professional activities and is a member of the Management Committee of the Board of Engineers, Malaysia (BEM). He is a Past President of the Institution of Engineers, Malaysia (IEM), and a Fellow of the ASEAN Academy of Engineering and Technology. He was the President (2002-2005) of the International Commission on Irrigation and Drainage (ICID), the international body for irrigation and drainage and Vice-Chairperson responsible for Region IV covering Asia and the Pacific region in the IHP Bureau of UNESCO. . In 2008, he was elected to a 4-year term in the Advisory Board of ICHARM (the International Centre for Water Hazard and Risk Management) - a UNESCO Centre based in Tsukuba, Japan. He is presently a member of the Technical Advisory Committee (TAC) for the 2nd edition (2012) of the

United Nations' "Water for Life" Best Practices Award.

He is Chairman of the Board of Directors, of Malaysian Green Technology Corporation, a company limited by guarantee under the Ministry of Energy, Green Technology and Water Malaysia; as well as an Independent Non-Executive Director on the Board of George Kent (Malaysia) Berhad, an engineering based company listed on the Main Board of Bursa Malaysia. He is an alumni of the Senior Executive Programme at the London Business School (1997), and the Advanced Management Programme at the Harvard Business School (2002).

In recognition of his contribution to the engineering profession, he was awarded the Institution of Engineers, Malaysia Award for Contribution to the Engineering Profession in Malaysia, and at the international level, the ASEAN Federation of Engineering Organisation Engineering Achievement Award and the International Society of Paddy and Water Environment International Award. For his services to the nation, he has been conferred Datukships from the Federal Government and the State Governments of Penang, Kelantan and Perlis.

KEK CHIN WU

Independent Non-Executive Director

Kek Chin Wu, a Malaysian aged 41, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 24 October 2009. He is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee.

He graduated from the Association of Chartered Certified Accountants ("ACCA") UK, with a professional degree in accounting and he is currently a Fellow Member of ACCA UK.

He has over 18 years of experience in the fields of auditing, corporate finance and business advisory services. He commenced his career in the field of auditing in BDO Binder Malaysia in 1993 before moving on to join Price Waterhouse in 1995 where he gained experience in auditing various industries. He then joined Bumiputra Merchant Bankers Berhad in 1997 where he provided advisory services to various public listed companies. He later served as the Corporate Finance Manager of Paracorp Berhad, a company listed on the then Main Board of Bursa Securities, from 1998 to 1999 where he was involved in the planning and execution of corporate exercises. He is currently the Managing Director of Paragon Advisory Sdn Bhd, a consulting firm which provides business advisory services, and Insage (MSC) Sdn Bhd which is an information technology company that develops fundamental investment analysis tools and online investor relations websites.

He is also the Audit Committee Chairman, member of the Nomination and Remuneration Committees and Independent Non-Executive Director of LNG Resources Berhad, a company listed on the ACE Market of Bursa Securities.

CHUA KEE YAT @ KOO KEE YAT

Independent Non-Executive Director

Chua Kee Yat @ Koo Kee Yat, a Singaporean aged 58, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 24 October 2009. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee.

He is a senior member of The Institution of Engineers, Singapore. He graduated from the University of Singapore (now the National University of Singapore) in 1977 with a Bachelor Degree in Engineering (Mechanical).

Upon graduation, he served his national service with Singapore Armed Forces from 1977 to 1979 and continued as Naval Engineering Officer and later as Defence Engineering Scientific Officer in Republic of Singapore Navy until 1989. He joined MTU Asia Pte Ltd in 1989 as Head of Application Engineering in Sales and Application Department overseeing the diesel engines sales and business development in marine sector within the company and providing the operations support to the Agents/Distributors in the Asia region. He was responsible for the operations of MTU Singapore Pte Ltd in 2002 to 2003 before posted to The People's Republic of China as Head of Greater China Operations in 2004 to 2006. During this period, a new factory was constructed while the operations were further developed with the establishment of in-country sales and service network. In 2006, he was engaged by Draka Cableteq Asia Pacific Holding Pte Ltd, as President for Greater China Operations, responsible for setting up a new production factory and growth of sales and operations of Draka China Operations in Suzhou. He is currently the Director for Industrial Engine Sales at Tognum Asia Pte Ltd.

Notes to Directors' Profile :

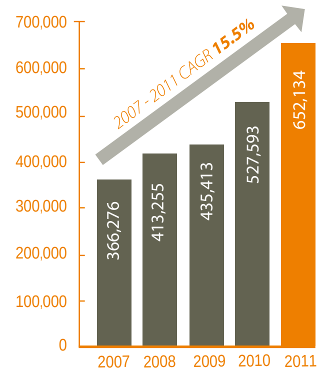
1. *Pang Tin @ Pang Yon Tin is the brother of Phang Piow @ Pang Choo Ing, and the father of Pang Khang Hau. Save as disclosed, none of the directors have any family relationship with any other director and/or major shareholder of the Company.*

2. *Save for Pang Tin @ Pang Yon Tin , Phang Piow @ Pang Choo Ing and Pang Khang Hau, who have interest in recurrent related party transactions as disclosed under Note 30 to the financial statements contained in this Annual Report, none of the directors have any conflict of interest with the Company.*

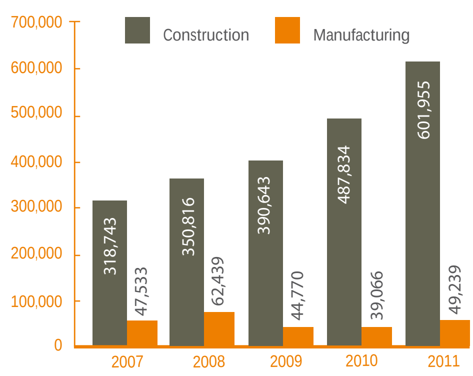
3. *None of the directors have been convicted of any offences within the past ten (10) years other than traffic offences, if any.*

Group Financial Highlights

Revenue (RM'000)

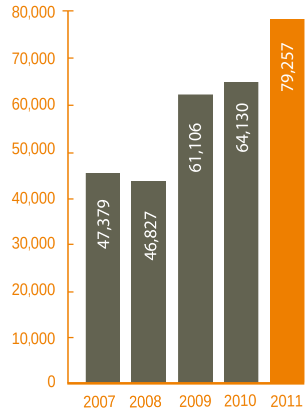


Revenue by Segment (RM'000)

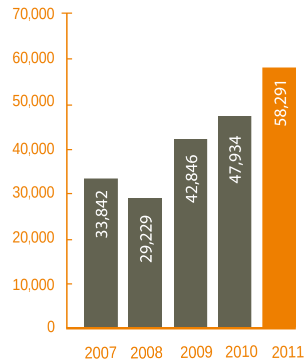


Revenue derived from investment activities in year 2010 & 2011 of RM692,696 & RM939,842 respectively were negligible and could not be shown on chart

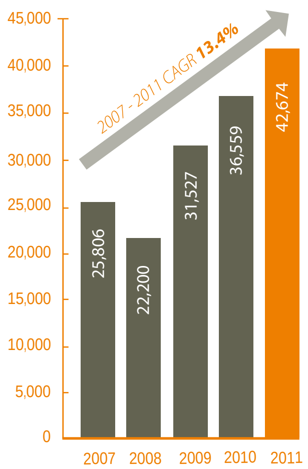
Gross Profit (RM'000)



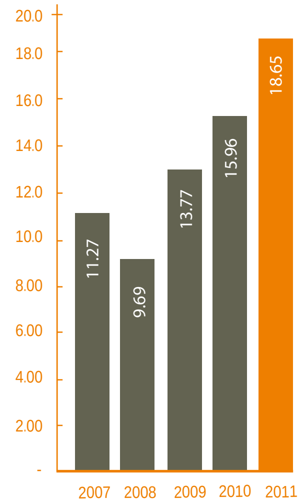
Profit Before Tax (RM'000)



Profit After Tax (RM'000)



Earning Per Share (Sen)



All the earnings per share were calculated based on enlarged share capital of 229 million ordinary shares for year-on year comparison

Note:-

The financial performance for the financial year ended 31 December 2007 to 2009 are presented on a pro-forma basis (assuming the Group has existed on or before 1 January 2007) for comparision against the financial performance for the financial year ended 31 December 2010 & 2011.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Kimlun Corporation Berhad ("Company") for the financial year ended 31 December 2011 ("FY2011").

CORPORATE PROFILE

The Company together with its subsidiaries (collectively "the Group") is a one-stop engineering and construction services provider with abilities to undertake projects from conceptual stage to design and build until completion of the whole projects. The Group has also established itself as an integrated Industrial Building System ("IBS") builder since 2009.

The Group has expanded over the past 30 years with proven track record and project management skills in handling a wide range of construction and infrastructure projects. The revenue of the Group is primary divided into two major segments, i.e. construction and manufacturing of concrete products.

RECENT CORPORATE DEVELOPMENT

Utilisation of Initial Public Offering ("IPO") Proceeds

The Group decided to revise the utilisation of RM14.25 million of IPO proceeds designated for the set up of manufacturing plants for the production of two new products, namely spun piles and light weight wall panels ("LWWP"). The revised utilisation of the said sum are as follows:

(i) construction of one factory complete with overhead cranes, and the purchase of plant and machinery for the fabrication of steel bars;
(ii) construction of one factory for the fabrication of IBS components and other precast products in Negeri Sembilan ("NS Factory"); and
(iii) general working capital

The Group is of the view that the setting up of spun piles and LWWP factory is not of immediate priority. The IPO proceeds would be better utilised for the current needs of the Group to increase its production capacity to meet the present and immediate strong demand for the Group's existing pre-cast products.

The utilisation of the balance IPO proceeds of RM47.83 million is being carried out as planned. The new tunnel lining segment ("TLS") factory began production in the last quarter of 2010 while the hollow core slabs plant is under construction. The hollow core slabs plant is expected to commence production trial run around middle of 2012.

Issuance of New Shares

The Company issued 11.45 million new ordinary shares in the Company at a placement price RM1.50 per ordinary share in March 2012. Gross proceeds of RM17.18 million were raised through the share placement exercise to fund the Group's venture into property development and the acquisition of a parcel of industrial land in District of Seremban, Negeri Sembilan ("NS Land") for the setting up of the NS Factory. Consequentially upon the issuance of the new shares, the Company's share capital increased from 229 million ordinary shares as at 31 December 2011 to the current level of 240.45 million ordinary shares.

The private placement is not expected to have a material effect on the earnings per share of the Group for the financial year ending 31 December 2012. However, given its purpose, the private placement is expected to enhance the future earnings of the Group moving forward.

FINANCIAL REVIEW

Revenue and Profitability

For FY2011, the Group achieved revenues of RM652.13 million, which was 23.6% higher as compared to RM527.59 million registered in the financial year ended 31 December 2010 ("FY2010").

The Group's gross profit margin in FY2011 approximate that of FY2010 at 12.2% while selling and administrative expenses

increased in line with the Group's increasing business activities. Profit after taxation of the Group of RM42.68 million for FY2011 was 16.7% higher as compared to RM36.56 million for FY2010, in line with the growth in revenue.

The increase in revenue and profit after taxation in FY2011 was mainly due to a higher contribution from the construction division. The construction division continued to be the main revenue contributor to the Group.

Construction Division

The construction division registered a revenue of RM601.95 million (92.3% of the Group revenue) in FY2011, an increase of 23.4% as compared to revenue of RM487.83 million (92.5% of Group revenue) in FY2010. The higher revenue achieved in FY2011 was mainly due to the progress in percentage of completion of the Group's projects in hand that were secured in previous years, and larger quantum of contracts secured and commenced works in FY2011. Amongst the major projects secured and commenced work during FY2011 were the construction of 116 units of houses in Mukim Pulai, Daerah Johor Bahru, Johor for Tanah Sutera Development Sdn. Bhd, the construction of a retail mall and ancillary buildings in Medini Iskandar, Johor for Nusajaya Lifestyle Sdn.Bhd ("Lifestyle Mall") and the construction of a service apartment in Iskandar Malaysia, Johor for Grand Action Sdn. Bhd ("Grand Action Apartment").

The gross profit achieved in FY2011 was RM67.05 million as compared to RM53.95 million in FY2010, an increase of 24.3% in line with the growth in revenue. The construction revenue has grown significantly over the past 5 years, from RM318.75 million in FY2007 to RM601.95 million in FY2011. The increase of close to 90% signifies that the Group managed to consistently achieve larger scale of operation capability over the years.

Manufacturing Division

The concrete product manufacturing division registered a higher revenue of RM49.24 million (7.6% of Group revenue) in FY2011 as compared to RM39.07 million (7.4% of Group revenue) in FY2010, an increase of 24.0%. The improvement in revenue in FY2011 was mainly due to the commencement of production for 2 new sales contracts for the supply of tunnel lining segments ("TLS") to the Singapore MRT projects while the production for another few TLS sales contracts which commenced production in FY2010 continued in FY2011.

The gross profit achieved in FY2011 was RM11.25 million as compared to RM9.90 million in FY2010, an increase of 13.6% in line with the growth in revenue. Gross profit margin remains at healthy levels of around 21% for FY2011.

Financial Position

Shareholders' funds of the Group increased from RM184.40 million as at 31 December 2010 to RM216.13 million as at 31 December 2011. The Group's net assets per share increased from RM0.81 per share as at 31 December 2010 to RM0.94 per share as at 31 December 2011, based on a share capital base of 229 million ordinary shares. The total debt to total equity ratio increased from 0.17 times as at 31 December 2010 to 0.30 times as at 31 December 2011 mainly due to the drawdown of a long term loan to finance the acquisition of a parcel of development land and higher utilisation of short term bank borrowings to finance rising working capital requirements in FY2011.

However, with the cash balance conserved of RM81.65 million against total debt of RM65.02 million, the Group was at a net cash position of RM16.63 million as at 31 December 2011.

Cashflow

The Group experienced net operating cash outflow of RM36.64 million for FY2011 mainly due to:

(a) higher level of construction activity and new projects commencing during the period. The Group will need to bear construction costs until a certain percentage or stage of completion before the Group can bill its customers, hence there will be temporary cash flow deficits when construction works escalate in a period;

(b) increase in TLS stocks holding pursuant to the terms and conditions specified in TLS sales contracts; and

(c) the acquisition of few parcels of land at total purchase consideration of RM18.02 million and deposit paid for the acquisition of few other parcels of land of RM2.74 million. These land are for future property development purposes.

Despite of the negative operating cash flow during the period, cash and cash equivalents of the Group stood at RM78.24 million as at 31 December 2011.

REWARD TO SHAREHOLDERS – DIVIDEND

A first interim single-tier dividend of 2.0 sen per share amounting to RM4.58 million in respect of FY2011 was paid on 21 October 2011.

The Board of Directors ("the Board") further recommends a final single-tier dividend of 3.1 sen per share amounting to RM7.45 million in respect of FY2011, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

The recommended final single-tier dividend together with the first interim single-tier dividend represents payout ratio of 28% in respect of FY2011.

PROSPECTS AND OUTLOOK

The Board foresees 2012 as an exciting year for the Group with likely growth in both construction and manufacturing divisions on the back of a balance order book of approximately RM1.14 billion and RM0.31 billion respectively as at 29 February 2012. This would provide a good earnings visibility to the Group over the next two years. The Board is optimistic that the construction sector of Malaysia and Singapore will continue to be vibrant in 2012, thus offering opportunities for the Group to bid for further construction projects and pre-cast components sales orders.

Malaysian Construction Sector

The sector is projected to grow strongly by 7% in 2012 driven by the commencement of large infrastructure projects and vibrant housing construction activities. It is expected to benefit from the construction projects to be rolled out under the Tenth Malaysia Plan ("10MP") and Economic Transformation Programme ("ETP").

Malaysian Government has allocated RM230 billion for development expenditure under the 10MP. Out of the RM230 billion development expenditure, RM138 billion or 60% is aimed to expand physical development to be undertaken by the construction sector.

Amongst the few major projects to be rolled out under the 10MP which could benefit the Group in the medium to long term include:

(a) the construction of a high capacity Mass Rapid Transit system with a total length of about 150 km in Klang Valley ("KVMRT") at an estimated cost of RM36 billion.

    In February 2012, the Group won its first supply order from KVMRT where Mass Rapid Transit Corporation Sdn Bhd appointed SPC Industries Sdn Bhd ("SPC"), a subsidiary of the Company, as the designated supplier for the supply of segmental box girders ("SBG") to certain packages under the Sungai Buloh-Kajang Line for RM223.18 million. The supply of the SBG is expected to spread over a period of approximately 40 months.

    The Sungai Buloh - Kajang Line is the first of a network of KVMRT lines being planned, which stretches 51 km.

(b) the construction of affordable houses and public amenities such as hospitals and clinics. The Board believes that most of these projects will be constructed using IBS construction method having regards to the Malaysian Government's policy that the content of IBS components in every new government project is to be increased to no less than 70% with effect from 31 October 2008, save for certain exceptions ("70% IBS Content Policy") . Being one of the very few contractors with IBS design capabilities backed by pre-cast concrete manufacturing plant, the Group is in the position to take advantage of the roll out of these projects.

Iskandar Malaysia ("IM")

IM, a development corridor of approximately 2,217 sq km in Johor will take another 14 years from 2012 till 2025 to complete all the planned development projects due to its sheer size.

The Group has benefited from the rapid development that took place in IM since it was kicked start back in 2006 by undertaking various public and private sector projects such as the construction of industrial, commercial and residential buildings. The Group also actively rendered its construction services for the construction of infrastructure, such as roads and drains, flyovers and interchanges that serve the needs of IM.

For instance, the Group has completed the Iskandar Housing Project (RM142.8 million) for Iskandar Regional Development Authority and the elevated interchange at Johor Bahru Inner Ring Road (RM124.1 million) for Iskandar Investment Bhd in FY2011.

The Group on-going projects within IM include the Marlborough College (RM70.00 million), the Bukit Indah Apartment (RM64.8 million), the Lifestyle Mall (RM51.00 million) and the Grand Action Apartment (RM68.00 million). There are also numerous larger sum contracts secured by the Group in the first quarter of 2012 including the construction of service apartments and ancillary buildings for IJM Land Berhad Group (RM82.1 million), the construction of apartments and ancillary buildings for United Malayan Land Bhd Group (RM68.3 million) and the alteration and extension of a shopping mall for Tanah Sutera Development Sdn Bhd (RM71.99 million).

Moving forward, the private sector is expected to take a lead and play more significant role in the future development of IM as it has begun entering its inflection points in 2012.

The dynamism within IM presents tremendous opportunities for the Group over the next decade, especially in the residential and commercial sub-sectors which are expected to expand further due to stronger demand for housing and commercial space in Southern Johor. Besides the recently opened Newcastle University, Johor Premium Outlet and Columbia Hospital, other amenities such as Marlborough College, Southampton University and Legoland Malaysia etc, are expected to launch or under various development phases within IM. All these upcoming development projects will augur well to attract an influx of new and larger population into IM and will provide numerous opportunities for the Group to tap in the medium to long term.

Industrialised Building System ("IBS")

Being one of the very few contractors with IBS design capabilities, backed by pre-cast concrete manufacturing plant and proven track record of completed IBS projects, the Group is well positioned to take advantage on the roll out of more government projects in the future in view of the Malaysian Government's 70% IBS Content Policy.

Since we began introducing the IBS building construction method in 2009, we secured building construction contracts of more than RM600 million from both public and private sector for the construction of schools, apartments and semi-detached houses using IBS construction method. These projects have contributed approximately 30% and 20% of the Group's construction revenue in FY2010 and FY2011 respectively.

The Group believes that there will be an increase in demand for IBS construction method and pre-cast building components consequential upon the 70% IBS Content Policy and the following developments affecting the construction sector:

(a) the Malaysian government tightening its foreign labour policy, which will inevitably drain the supply of labour affecting in particular construction projects which adopts labour intensive conventional construction method; and

(b) the Construction Industry Development Board (CIDB) aims to increase the content of IBS components in private sector projects to at least 50% by 2015. One of CIDB's strategies to achieve the targeted utilisation rate is working closely with property development approving authorities such as the Kuala Lumpur City Hall, Petaling Jaya City Council and Iskandar Regional Development Authority for the imposition of the requirement on project owner to show that their projects have at least 50% IBS content upon submission of their development plan to the authorities for approval commencing 2012.

Singapore Construction Sector

Singapore's construction demand for 2012 is projected to reach between SGD21 billion and SGD27 billion as compared to SGD 32 billion in 2011. For 2012, about 60% of the demand is expected to come from the public sector. The support is expected to come from among others, civil engineering projects. The total construction output is projected to rise from SGD27 billion in 2011 to between SGD 29 billion and SGD 31 billion in 2012.

One of the major projects which may benefit SPC, as a supplier of TLS is the construction of an extra-high-voltage underground power transmission network which comprises a 35 km cable tunnel. The Group expects the award of the TLS supply orders to the winning suppliers will commence around end of 2012.

Other on-going civil engineering projects in Singapore include the extension of NEWater transmission from Singapore Island to Jurong Island which involves the laying of approximately 29.8 km of jacking pipes, which is another product which SPC produces.

In the long run, Singapore aims to expand its MRT rail networks from 138.2 km as at end 2008 to a target of 278 km by 2020.

The increase in construction activities will have spill-over effects on the building and construction material industries where the Group will be in a strong position to continuously bid for the supply of TLS to MRT projects, and other pre-cast concrete products such as jacking pipes, pre-cast concrete building components etc to other non MRT projects.

Property Development Division

Revenue from the property development division is not expected to be significant in FY2012 as the timing of launching of the Group's maiden SOHO and offices development project in Cyberjaya will be towards the second half of FY2012.

Though the construction industry in both Malaysia and Singapore continues to grow in 2012, the Group expects its profit margin to experience downward pressure arising from the following:

(i) the engagement of more services from specialist contractors and sub-contractors nominated by its clients to meet the requirements of some of the projects in hand;
(ii) set up costs and trial run costs of the NS Factory to be constructed in 2012; and
(iii) higher financing costs arising from the expected higher utilization of bank borrowings to meet the working capital requirements of higher level of operation, capital expenditure to acquire plant and machinery and to acquire a parcel of industrial land on which the NS Factory will be erected thereon.

The key challenges/risks for the Group include potential higher costs of materials and shortage in supply of labour. Prices of materials may escalate further due to various factors such as inflationary pressures, high commodity prices and potential higher demand for raw materials upon the progressive roll-out of large projects under the ETP and the 10MP.

Barring any unforeseen circumstances, the Board is confident that the Group's business will further improve in 2012.

NEW MANUFACTURING CAPACITY IN SEREMBAN

SPC has completed its acquisition of the NS Land, measuring approximately 56 hectares for a cash consideration of RM15.5 million to be funded partly by proceeds raised from the private placement.

SPC's initial plan was to construct the NS Factory on the land for the production of IBS components and to include other pre-cast concrete products which are currently manufactured by its existing plants in Johor at later stage, to cater for the demand for such products in the Klang Valley.

However, with the recent award of the SBG supply order in relation to the KVMRT to SPC, the priority of the NS Factory is to produce this product. The initial estimated additional capital expenditure to be incurred on top of the land acquisition cost is in the range of RM18 million to RM20 million.

PROPERTY DEVELOPMENT VENTURES

The Group expects to launch its maiden SOHO and o□ces property development project on its 4.95 acres land in Cyberjaya, Selangor with estimated gross development value in the range of RM160 million to RM170 million in the third quarter of this year.

Beside the above mentioned commercial cum residential project, the Group is also seeking opportunity to expand into industrial property market. The Group has acquired nine parcels of freehold agriculture land with a collective land area of approximately 17.266 hectares for a total cash consideration of RM27.36 million. The land is situated within the industrial zone in Nilai, Seremban, Negeri Sembilan and is in close proximity to well established matured commercial and industrial developments, such as Nilai 3 Commercial Area and Arab Malaysian Industrial Park.

The development details of the land will be determined after the the conversion of the land from agriculture to industrial usage has been approved by the Negeri Sembilan State Authority.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my heartfelt gratitude to our shareholders, bankers, customers, business partners and regulatory authorities for their continued support, guidance and assistance extended to the Group. The Board would like to express its appreciation to the management and employees of the Group for their hard work and dedication.

Pang Tin @ Pang Yon Tin
Chairman

主席文告

敬爱的股东，

本人谨代表金轮企业有限公司(“ 本公司 ”)提呈截至2011年12月31日财政年（“ 2011财政年 ”）的年度报告。

公司简介

本公司以及其附属公司(“ 本集团 ”)提供一站式的工程及建筑服务。本集团具备提供建设方案，设计，施工直到项目竣工的能力。从2009年开始，本集团也涉足于工业化建筑系统(“ IBS ”)。
本集团在过去30年不断的成长以及建立了处理范围广泛的建筑与基建工程项目的经验与技术。本集团的营业额主要分为两大部份，即建筑工程以及制造业。

企业最新进展

公司上市以及首次公开售股筹集资金的运用状况

本集团决定修改首次公开发行所筹集的资金的用途。原定要应用于设置新厂房以生产两项新产品，即离心桩和轻型墙板（“ LWWP ”）的一千四百二十五万零吉，将被用于以下的用途：

（一） 建设一个拥有竖立起重机的完整工厂和购买切割和预铸钢筋的机械；
（二）在森美兰州建设一个生产IBS组件以及其他预制混凝土产品的工厂（“ 森州工厂 ”）；
（三） 一般营运资金

本集团认为，建设一个离心桩和LWWP的工厂并不是当务之急。首次公开发行筹集资金更应该用在本集团的眼前需要，即提升生产能力，以便应付本集团现有预制产品的当前和即时的强劲需求。

其余通过首次公开发股所筹集到的四千七百八十三万零吉资金的使用正按照原定的计划进行。

新地铁隧道衬砌（TLS）工厂已在2010年最后一个季度投入运作，而中空地板工厂仍在建设中。中空地板工厂预计将在2012年中旬进行生产测试。

发行新股

本集团在2012年3月以每普通股1.50零吉的私下配售价格，共发行一千一百四十五万新普通股。透过上述集资活动，本集团共获得一千七百一十八万零吉，将用于本集团进军产业发展业务，以及在森美兰州芙蓉收购一片工业土地(“ 森州土地 ”)，以便在森州设立工厂。

完成发行新股后，本集团的股票数额已经从截至2011年12月31日的二亿二千九百万股普通股，增加至二亿四千零以上所述的私下配售估计不会对本集团的2012财政年每股盈利带来实际影响。无论如何，鉴于配售活动所筹集的资金将被用于扩张业务，本集团的未来盈利有望提高。

财务回顾

营业额和盈利

在2011财政年，本集团取得六亿五千二百一十三万零吉的营业额，较2010财政年的五亿二千七百五十九万零吉增加了23.6%。

本集团在2011财政年的毛盈利赚幅接近2010财政年，即12.2%。本集团的商业活动增加后，销售与行政费用也跟着提高了。本集团在2011财政年的税后盈利高达四千二百六十八万零吉，较2010财政年的三千六百五十六万零吉增加了16.7%，符合营业额成长的趋势。

本集团在2011财政年的营业额和税后盈利成长主要归功于建筑业务的提升。建筑业务继续成为本集团的主要营业额贡献者。

建筑业

建筑业务在2011财政年写下六亿零一百九十五万零吉的营业额(占本集团营业额的92.3%)，较2010财政年的四亿八千七百八十三万零吉的营业额(占本集团营业额的92.5%)增长了23.4%。

在2011财政年获得更多营业额，主要是因为本集团在过去几年所承接的工程都达到预期的竣工率。此外，大部份在2011财政年所赢取的合约都已经开始施工，包括为Tanah Sutera Development私人有限公司在柔佛州新山普莱区建设一百一十六个单位房屋、为Nusajaya Lifestyle私人有限公司在柔佛州Medini Iskandar 建设零售广场和 Lifestlye 广场、以及为Grand Action私人有限公司在柔佛州Iskandar Malaysia建设一栋服务公寓(Grand Action公寓)。

主席文告(续)

建筑业务在2011财政年所获得的毛利是六千七百零五万零吉，比较2010财政年的五千三百九十五万零吉，上扬24.3%，符合营业额成长趋势。建筑营业额在过去五年显著成长，从2007财政年的三亿一千八百七十五万零吉，提升至2011财政年的六亿零一百九十五万零吉。接近90%的成长率，意味着本集团在过去几年已持续取得更大的营运能力。

制造业

混凝土产品的制造业务也取得营业额增长，在2011财政年达四千九百二十四万零吉(占本集团营业额的7.6%)，比较2010财政年的三千九百零七万零吉(占本集团营业额的7.4%)，按年增加24.0%。

2011财政年的营业额增长，主要是归功于两项新销售合约，即为新加坡捷运计划供应地铁隧道衬砌(TLS)。于此同时，其他几个由2010财政年带下来的TLS销售合约的生产工作继续在2011财政年进行。

2011财政年的毛利高达一千一百二十五万零吉，比较2010财政年的九百九十万零吉，是按年成长13.6%，符合营业额成长。2011财政年的毛盈利赚幅维持在大约21%的健康水平。

财务状况

本集团股东基金从2010年12月31日的一亿八千四百四十万零吉，增加至2011年12月31日的二亿一千六百一十三万零吉。本集团每股净资产从2010年12月31日的81仙，提高至2011年12月31日的94仙，根据股票数额二亿二千九百万股普通股计算。总负债对总股本比率从2010年12月31日的0.17倍，提高至2011年12月31日的0.30倍，主要是因为本集团应用长期贷款融资收购一片发展土地。此外，本集团短期银行贷款的运用也已经提高，用于融资2011财政年更高的营运资金需求。

无论如何，截于2011年12月31日，本集团的现金为八千一百六十五万零吉，对照六千五百零二万零吉的总债务，净现金为一千六百六十三万零吉。

现金流动

本集团在2011财政年的净营运现金外流多达三千六百六十四万零吉，主因是：

(a) 在这期间的建筑活动和新计划都在增加。本集团需要承担建筑成本，至到某个竣工率或工程进展后，本集团才能向客户下帐单。当建筑活动剧增时，短暂的现金流赤字更为明显。

(b) 根据TLS销售合约所列出的条款与条件，增加TLS的存货量。

(c) 收购几片土地，总值一千八百零二万零吉。其他几片土地的收购行动已预付二百七十四万零吉的订金。这些土地将在未来供作产业发展用途。

尽管营运现金流在这期间呈负面，但本集团在2011年12月31日的现金与现金等值依然企稳在七千八百二十四万零吉。

股东回馈—股息

2011财政年每股2.0仙的第一次中期单层股息，或相等于总数四百五十八万零吉，已在2011年10月21日支付。

董事局进一步建议为2011财政年派发每股3.1仙的终期单层股息，或相等于总额七百四十五万零吉，惟需在接下来的股东常年大会上获得股东批准。

建议中的终期单层股息以及已派发的第一次中期单层股息，代表着2011财政年的派息率是占公司盈利的28%。

前景与展望

董事局预见，2012年对本集团将会是忙碌的一年。有鉴于订单合约在手,建筑业和制造业有望双双取得成长。截至2012年2月29日，建筑业和制造业的订单合约分别是十一亿四千万零吉以及三亿一千万零吉。这将为本集团在未来两年提供很好的盈利前景。董事局对马来西亚和新加坡的建筑领域维持乐观，料此行业在2012年将继续充满活力。因此为本集团提供机会竞标更多建筑计划以及获得更多预制产品的销售订单。

马来西亚建筑领域

建筑领域估计将在2012年成长7%，主要是靠着大型的基建设施计划以及活跃的房屋建筑活动。该领域有望在第十大马计划以及经济转型计划的建筑计划里从中受惠。大马政府已经在第十大马计划下，分配二千三百亿零吉作为发展开销。在这二千三百亿零吉当中，其中一千三百八十亿零吉，或相等于60%，是用来扩大物质发展，将由建筑领域来进行。本集团有望在中期至长期内受惠于以下数项将在第十大马计划下推出的计划：

(a) 在巴生谷建筑捷运系统(KVMRT)，总长度150公里，估计成本高达三百六十亿零吉。

在2012年2月，本集团赢取KVMRT的首个供应订单，Mass Rapid Transit Corporation私人有限公司委任本集团的子公司--SPC Industries私人有限公司(SPC)为双溪毛糯至加影路线的部份配套供应阶段性箱桥(“SBG”)，总值二亿二千三百一十八万零吉。上述SBG的供应期长达40个月。

双溪毛糯至加影路线是计划中KVMRT路线的首阶段工程，长达51公里。

(b) 建设实惠房屋以及公共设施如医院和诊疗所。

董事局相信，上述大部份计划将使用IBS建筑系统，因为马来西亚政府政策阐明，从2008年10月31日起，每一项新政府计划都必须使用至少70%的IBS组件，某些异案除外(70%IBS含量政策)。作为一家拥有IBS设计能力以及拥有生产预制混凝土产品工厂的少数建筑商之一，本集团已经处在良好位置，从这些计划中受惠。

Iskandar Malaysia (“IM”)

Iskandar Malaysia经济特区是一个位于柔佛，囊括二千二百十七平方公里的发展走廊。由于发展走廊的规模庞大，该发展计划还需耗时14年，至到2025年才能完成所有的发展项目。

自Iskandar经济特区在2006年启动以来，本集团已通过承建公共以及私人领域的各种项目，例如工业，商业以及住宅楼房而受惠。本集团也活跃于为Iskandar经济特区提供承建各类基础设施的服务，例如承建道路，排水系统，高架公路和立交桥。

举个例子，本集团已在2011财政年为Iskandar Regional Development Authority完成总值一亿四千二百八十万零吉的Iskandar房屋计划，并为Iskandar Investment有限公司在新山内环公路建设总值一亿二千四百一十万零吉的高架立交桥。

本集团仍在IM进行中的计划包括Marlborough学院(总值七千万零吉)、Bukit Indah 公寓(总值六千四百八十万零吉)、Lifestlye广场(总值五千一百万零吉)、以及Grand Action公寓(总值六千八百万零吉)。本集团也在2012年首季赢取数项大型合约，包括为IJM Land有限公司集团建设服务公寓和补助建筑物(总值八千二百一十万零吉)、为United Malayan Land有限公司集团建设公寓和补助建筑物(总值六千八百三十万零吉)、以及为Tanah Sutera Development私人有限公司改造和扩建一家购物广场(总值七千一百九十九万零吉)。

展望未来，私人领域料成为领头羊，在IM未来发展扮演更显著角色，因为IM已在2012年迈入新的转捩点。

IM的活力将在未来十年为本集团提供巨大机会，尤其是住宅和部分商业领域，料借着柔佛州南部对房屋和商业空间的强劲需求而进一步增加。除了近期开启的Newcastle University，Johor Premium Outlet以及Columbia Hospital，其他设施包括Marlborough College，Southampton University以及Legoland Malaysia等，都将在IM范围内推出各阶段的发展计划。上述所有即将开始的计划，都有望为IM吸引更庞大的人口，并为本集团提供许多中期至长期的商业机会。

工业化建筑系统(“IBS”)

本集团拥有IBS建筑系统，预制混凝土制造工厂、也拥有良好的工程完成记录。这些优势有利于集团竞标更多的政府工程计划。

自从我们在2009年开始推出IBS建筑模式后，我们已经从公众领域以及私人领域赢取超过六亿零吉的IBS建筑工程合约，包括建设学校、公寓、半独立洋房。这些计划分别在2010财政年及2011财政年，为本集团的建筑业营业额贡献高达30%以及20%的比重。

本集团相信，70%IBS含量政策以及建筑领域的演变，将促成市场对IBS建筑模式和预制混凝土组件的需求大大提高：

(a) 马来西亚政府收紧外劳政策，无可避免地将打击外劳供应量，并影响建筑计划，尤其是那些依赖外劳以及传统建筑模式的计划。

(b) 建筑业发展局(CIDB)意欲在2015年将私人领域的项目采用的IBS组件提升至不少于50%。CIDB的其中一个达标策略是与批准产业发展项目的有关当局，例如吉隆坡市政局，八打灵市议会以及Iskandar区域发展局密切合作。从2012年开始，规定发展商在呈交发展计划给有关当局时，必须遵守发展项目运用至少50%IBS组件的规定。

新加坡建筑领域

主席文告(续)

新加坡在2012年的建筑需求料将达到二百一十亿至二百七十亿新元，2011年的数额为三百二十亿新元。在2012年，大约60%的需求是来自公众领域。总建筑产量估计从2011年的二百七十亿新元，上涨至2012年的二百九十亿新元至三百一十亿新元。

其中一个可能让SPC受惠的主要计划，是建筑一条包含35公里电缆隧道的超高电压地下电力输送系统。本集团预料相关的单位将在2012年年底授予得标的TLS供应商相关的TLS供应订单。

其他在新加坡进行中 的建筑工程还包括由新加坡本岛传送新生水到裕廊岛的延伸计划，这29.8公里长的公程将需要用到大量的推进管，即另一种SPC生产的主要混凝土产品之一。

长期而言，新加坡冀望扩张捷运轨道系统，从2008年年底的138.2公里，延长至2020年的278公里。

建筑行业的逢勃发展，将为建筑和建筑材料领域带来强大的需求。而本集团的稳固根基和良好记录，有利于集团竞标为MRT计划供应TLS以及为非MRT计划提供其他预制混泥土产品，包括推进管，预制混凝土建筑组件等等。

产业发展

产业发展业务估计不会对2012财政年作出显著的营业额贡献，因为本集团在赛城的居家就业(SOHO)以及办公楼发展计划将在2012财政年下半年才推出。

尽管马来西亚和新加坡的建筑领域将在2012年持续成长，本集团预测，盈利赚幅还是面对下跌压力，主要是因为：

(i) 委任更多的专门承包商和客户指定的分包商提供更多服务，来迎合部份手上计划的需要，
(ii) 在2012年设立森州工厂所需的建筑费用以及试跑成本，以及
(iii) 更高融资成本。本集团预料将使用更多银行贷款来应付更高的营运资金需要、购买机械以及森州土地的资本开销。

本集团的关键挑战或风险包括原料成本可能上涨以及劳工短缺问题。随着通货膨胀压力，商品价格走高，以及原料需求可能因为经济转型计划和第十大马计划所推出的许多大型计划开跑而增加, 原料价格或进一步上升。

若无意外，董事局有信心，本集团业务可在2012年持续成长。

森美兰州的新制造厂产能

SPC已经以现金总值一千五百五十万零吉，收购面积达56公顷的森州土地，部份融资是来自私下配售活动所筹集资金。

SPC原定在该片土地上设立森州工厂，以生产IBS组件，来迎合巴生谷的需求。

然而，由于SPC近期获得有关KVMRT的SBG供应订单，森州工厂当下的首要任务是要生产SBG。除了收购土地成本之外，初步估计额外的资本开销是介于一千八百万零吉至二千万零吉。

进军产业发展业务

本集团料在今年第三季，在雪州赛城的4.95英亩土地，推出SOHO和办公楼产业发展计划，估计毛发展总值介于一亿六千万零吉至一亿七千万零吉。

除了上述所提的商业兼住宅计划，本集团也正在探讨扩充至工业产业市场的机会。

本集团已经以现金总值二千七百三十六万零吉，收购九片永久地契的农业土地，总面积多达17.266公顷。这片土地坐落在森美兰州汝莱的工业区，邻近已发展成熟的商业和工业区，如汝莱第三期商业区和阿拉伯马来西亚工业园。

这片土地的发展详情将在随后才决定，目前需先把农业土地转换成工业用途。

致谢

我谨代表董事会，衷心感谢我们的股东、来往银行、客户、业务伙伴以及有关监管当局对本集团的持续支持，指导以及协助。董事会谨借此机会感谢本集团的管理层以及员工的辛勤工作以及奉献精神。

彭廷
主席

Corporate Social Responsibilities

Corporate social responsibility has formed part of the core values that Kimlun Corporation Berhad will always uphold while conducting itself as a responsible business entity. We are always mindful in contributing back to the local community where we derive our economic benefits. We recognise the essential needs to safeguard the welfare of our employees and to contribute to the community where the Group operates in. In line with these core fundamental values, we always strive to seek a balance between our social responsibilities and our obligations to maximise value for our shareholders.

WELFARE OF EMPLOYEES

One of the greatest assets in any successful business is its employees and their role in driving the business forward. Thus, we undertook concerted efforts to groom our employee towards realising their fullest potential and enhance the value of our human capital.

During the year, we participated in numerous training courses and seminars in relation to our core businesses in order to improve our employees' technical knowhow and to acquire advance knowledge on new building technology, innovative construction methods and better production management. Amongst others are courses focused on design of high rise precast concrete structures, planning and design of tunnels and creative adoption of prefabrication technology. We also train and equip our junior staff by engaging them in numerous foundation training courses, such as field testing for technicians.

Emphasis was put in to create greater safety awareness and to instil the importance of quality production amongst our middle and senior management team. Various courses in relation to occupational health and safety, and quality management system were conducted during the year to ensure a safe working environment, and that a systematic and efficient construction and production process is upheld at all times.

In addition, we enhance our employees' skills and knowledge through sponsorship of certain professional courses, such as accounting, taxation, information technology and marketing related courses.

For the year under review, we spent approximately RM67,000 for staff training and development.

CONTRIBUTION TO COMMUNITY

We also serve the community to improve the quality of the lives of the less fortunate. During the year, we supported numerous organisations and causes, either directly or in conjunction with other enterprises, mainly via monetary contribution and sponsorship. In terms of charitable contributions to society, we had allocated and spent approximately RM133,000. Amongst the charitable bodies and events that we had supported were Tabung Kebajikan KRPA-KBT Johor, SP Setia Foundation, 7th Putra Charity Run, Dana Kebajikan JKKK, and Tabung Amal Persatuan Orang Cacat Johor Bahru. We have also supported various education initiatives such as Southern College Building Fund, Ching Yeh School Building Fund and Global Outreach KRP-UTM-Korea 2011 Programme by Universiti Teknologi Malaysia.

We participated in various local government agencies' initiatives to build a caring society with united and harmonious living environment. We have supported the "Buletin Suara Penghuni Rumah Kediaman Polis Diraja Malaysia" by S.P.R.K. Polis Diraja Malaysia, Hari Pahlawan Johor 2011 and Hari Bomba 2011 during the year.

Statement on Corporate Governance

INTRODUCTION

The Board of Directors ("the Board") of Kimlun Corporation Berhad ("the Company") is committed towards the adoption of the principles and best practices in corporate governance as enshrined in the Malaysian Code of Corporate Governance ("the Code") by the Company and its subsidiaries ("the Group"). It is recognized that the adoption of the highest standards of governance is imperative for the enhancement of shareholders' value. The Group has complied with the Best Practices set out in Part 2 of the Code throughout the financial year ended 31 December 2011 ("FY2011") unless otherwise stated.

The Board is pleased to present the following report on the application of principles and compliance with best practices as set out in the Malaysian Code of Corporate Governance.

BOARD OF DIRECTORS AND ITS COMMITTEES

Board Balance and Composition

The Board is currently led by an Executive Chairman and has eight (8) members comprising four (4) Executive Directors, three (3) Independent Non-Executive Directors and a Non-Independent Non-Executive Director. The Board comprises a balance of members with extensive engineering and construction experience or a broad range of commercial, financial and corporate governance experience which will enable them to contribute effectively to the Group.

A brief description on the background of each Director is presented on pages 6 to 8 of the Annual Report.

The roles and responsibilities of the Chairman and the Chief Executive Officer are clearly defined and segregated to ensure a balance of power and authority such that no one individual has unfettered power of decision. The Chairman is responsible for the orderly working of the Board, ensuring the integrity and effectiveness of the governance process of the Board and maintaining regular dialogue with the Chief Executive Officer. The Chief Executive Officer is responsible for implementing the policies and decisions of the Board, overseeing day-to-day operations as well as development and implementation of business and corporate strategies and plans.

The presence of Independent Non-Executive Directors fulfills a pivotal role in corporate governance accountability. They provide objective and independent views and judgement and at the same time, safeguard the interests of parties such as minority shareholders.

The Board does not consider it necessary to nominate a Senior Independent Non-Executive Director to whom concerns may be conveyed. All members of the Board have demonstrated that they are always available to members and stakeholders. All issues can be openly discussed during Board meetings.

Roles of the Board

The Board is primarily responsible for overseeing and supervising the management of the business affairs of the Group and Board members are expected to act in good faith and exercise independent judgement in the best interests of the Group.

The function of the Board includes:

(i) providing effective leadership, setting corporate strategy and directions to ensure that the necessary financial and human resources are in place for the Group to achieve its objectives;

(ii) approving the release of the Group's quarterly and full-year financial results and related party transactions of a material nature;

(iii) evaluating the adequacy of internal controls and risk management

(iv) ensuring financial reporting is in compliance with the approved accounting standards by the Malaysian Accounting Standards Board;

(v) evaluating the performance and remuneration package of directors and;

(vi) setting the Group's values and standards through the implementation of corporate governance and best practices.

Meeting and Attendance

The Board deliberated and considered a wide range of matters affecting the Group including the Group's financial results, strategic business plan and investment decisions as well as the risk management of the Group.

All proceedings at the Board meetings are minuted and signed by the Chairman of the respective meeting.

During FY2011, five (5) Board meetings were held. Details of attendance at the Board Meeting are as follows :

Directors	Number of Meetings Held During Director's Tenure In Office	Number of Meetings Attended	Percentage of Attendance
Pang Tin @ Pang Yon Tin	5	5	100%
Sim Tian Liang	5	5	100%
Pang Khang Hau	5	5	100%
Chin Lian Hing	5	5	100%
Yam Tai Fong	5	5	100%
Phang Piow @ Pang Choo Ing	5	5	100%
Kek Chin Wu	5	5	100%
Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah	5	5	100%
Chua Kee Yat @ Koo Kee Yat	5	5	100%

Supply of Information

The Chairman reviews and approves the agenda for each Board meeting of the Company. The agenda for each Board meeting, together with Board papers are provided to each Director for their perusal and consideration prior to the Board meeting date to enable them to have sufficient time to review matters to be deliberated at the Board meeting and to facilitate informed decision making by the Directors. The Board papers include reports and documents relevant to the issues of the meetings, including financial, operational, business development, risk management and regulatory compliance matters. Senior management staff may be invited to attend Board Meetings, to advise and provide the Board with detailed explanations and clarifications whenever necessary on matters that are tabled.

Minutes of each Board meeting are circulated to all Directors for their perusal prior to the confirmation of the minutes at the following Board meeting. The Board also notes the decisions and salient matters deliberated by the Board Committees through the minutes of the respective Committees' meetings which are tabled to the Board. All other relevant information on the Group will also be supplied to the Directors upon their request. The Board has access to the advice and services of the Company Secretaries and may obtain professional advice at the Company's expenses, where necessary.

Directors' Training

The Board acknowledges the importance of continuing education for its members to carry out their responsibilities effectively. All Directors of the Company had attended and successfully completed the Mandatory Accreditation Programme (MAP) prescribed by the Bursa Securities for directors of public listed companies. The Directors are mindful that they should receive appropriate continuous training to further enhance their skills and knowledge and to keep abreast with the relevant changes of the business environment. During FY2011, the Directors of the Company had attended the following training/seminar/conference:-

Director	Training/Seminar/Conference	Date
Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah	• International Conference & Exhibition on Tunnelling and Trenchless Technology • 29th Conference of the Asean Federation of Engineering (CAFEO)	1-3 March 2011 29 November 2011
Sim Tian Liang	• Planning and Design of Tunnels • Industrialised Building System (IBS) Forum with the CEOs • Import, Export and Shipping Documents Practices • Design and Construction of Precast Concrete Structures	24 March 2011 19 April 2011 27-28 June 2011 12-13 December 2011
Chin Lian Hing	• Effective Microorganisms Applications – Making Microorganisms Work for You	4-6 May 2011
Yam Tai Fong	• Import, Export and Shipping Documents Practices • Don't just manage expectations, shape analysts' expectations • Key Amendments of Listing Requirements and Corporate Disclosure Guide	27-28 June 2011 21 September 2011 22 December 2011
Pang Khang Hau	• NPCA's Production and Quality School – Chapter 1	3 May 2011
Kek Chin Wu	• Essentials of Fundamental Analytics II course • Import, Export and Shipping Documents Practices • xBRL is shaping the financial reporting landscape worldwide. Are you ready?	29 January 2011 27-28 June 2011 30 June 2011
Pang Tin @ Pang Yon Tin	• Securities Commission's Corporate Governance Blueprint 2011: Towards Excellence in Corporate Governance	10 August 2011
Phang Piow @ Pang Choo Ing	• Securities Commission's Corporate Governance Blueprint 2011: Towards Excellence in Corporate Governance	10 August 2011

Chua Kee Yat @ Koo Kee Yat did not attend any structured training and seminar/courses during FY2011 due to his hectic travelling schedule.

The Directors will undertake to continue to attend relevant trainings and seminars courses in 2012 to enhance their skills and knowledge for the purpose of discharging their duties and responsibilities.

Re-Election and Re-Appointment of Directors

In accordance with the Articles of Association of the Company, one-third of the Directors shall retire from office at every annual general meeting ("AGM") but shall be eligible for re-election. Directors appointed during the year by the Board shall hold office until the next AGM and shall then be eligible for re-election. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Pursuant to Section 129 of the Companies Act, 1965, Directors who are over the age of seventy (70) years are required to retire from office at every AGM and may offer themselves for re-appointment to hold office until the next AGM.

Directors' Remuneration

The aggregate remuneration of Directors received from the Company and subsidiary companies for FY2011 are as follow:

	Executive Directors RM	Non-Executive Directors RM
Fees	-	220,800
Salaries, Bonuses & EPF	2,686,800	50,400
Allowances	60,000	13,500
Estimated monetary value of benefits-in-kind	76,599	-

The number of Directors of the Company whose total remuneration falls within the following bands is as follows:-

Range of remuneration	Executive Directors	Non-Executive Directors
0 - RM50,000	-	-
RM50,001 – RM100,000	-	3
RM100,001 – RM150,000	-	1
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	-	-
RM400,001 – RM450,000	-	-
RN450,001 – RM500,000	2	-
RM500,001 – RM550,000	-	-
RM550,001 – RM600,000	1	-
RN600,001 – RM650,000	1	-
RM650,001 – RM700,000	1	-

Board Committees

The Board has delegated specific responsibilities to the following three (3) Committees, which operate within terms of reference approved by the Board, to assist the Board in carrying out its duties and responsibilities. However, the ultimate responsibility for the final decision lies with the full Board.

a. Audit Committee

The members of the Audit Committee as well as the duties and responsibilities as reflected in the terms of reference of the Audit Committee are set out on pages 32 to 34 of this Annual Report.

b. Remuneration Committee

The current composition of the Remuneration Committee comprise of:

Name	Designation	Directorship
Sim Tian Liang	Chairman	Executive Director and Chief Executive Officer
Kek Chin Wu	Member	Independent Non- Executive Director
Chua Kee Yat @ Koo Kee Yat	Member	Independent Non- Executive Director

The Remuneration Committee shall review and recommend to the Board the remuneration of the Executive Directors.

The remuneration packages of Non-Executive Directors shall be determined by the Board as a whole. The Director concerned shall abstain from any discussion on his/her individual remuneration.

During the FY2011, one meeting was held and attended by all members.

The summary of the terms of reference of the Remuneration Committee are as follows:-

1. **Members**
   The Committee shall be appointed by the Board and shall consist of not less than 2 members of which comprising wholly or mainly non-executive directors. The Board must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. **Functions**
   The Committee shall recommend to the Board, the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary and the Executive Directors shall play no part in decisions on their own remuneration.

   Determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman, should be determined by the Board as a whole and the individuals concerned should abstain from discussing their own remuneration.

c. Nomination Committee

The current composition of the Nomination Committee is as follows:

Name Designation	Directorship
Dato' Paduka (Dr.) Ir. Hj, Keizrul Bin Abdullah	ChairmanIndependent Non-Executive Director
Kek Chin Wu	Member Independent Non-Executive Director
Chua Kee Yat @ Koo Kee Yat	Member Independent Non-Executive Director

During the FY2011, one meeting was held and attended by all members.

The summary of the terms of reference of the Nomination Committee are as follows:

1. Members

The Committee shall be appointed by the Board and shall consist of not less than 2 members of which comprising exclusively Non-Executive Directors, the majority of whom shall be Independent Non-Executive Directors. The Board must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. Functions

The Nomination Committee shall:-

i. recommend to the Board, the candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the Nomination Committee should consider the candidates':-

- skills, knowledge, expertise and experience;
- professionalism;
- integrity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee should also evaluate the candidate's ability to discharge such responsibilities as expected from Independent Non-Executive Directors;

ii. consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder;

iii. recommend to the Board Directors to fill the seats on board committees;

iv. assess annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each existing individual Director and thereafter, recommend its findings to the Board;

v. ensure that all Directors undergo appropriate induction programs and receive continuous training;

vi. review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, recommend its findings to the Board.

vii. apply the process as determined by the Board, for assessing the effectiveness of the Board as a whole, the committees of the Board, and for assessing the contribution of each individual Director, including Independent Non-Executive Directors, as well as the Chief Executive Officer where all assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.

SHAREHOLDERS COMMUNICATION AND INVESTORS

The Board recognises the importance of accurate and timely dissemination of information to shareholders about the Group's financial performance and other matters affecting shareholders' interest. This is achieved through accurate and timely disclosures and announcements to the Bursa Securities including quarterly financial results, distribution of annual reports, relevant circulars to shareholders, press releases and general meetings.

The AGM serves as the principal forum for dialogue and communication between the Directors and management with the shareholders. The Company welcomes the views of the shareholders on matters concerning the Group and encourages shareholders' participation at AGM.

The Chief Executive Officer of the Company holds briefing and dialogue sessions with analysts, fund managers or institutional investors as and when deemed appropriate. In addition, shareholders, investors and members of the public may also access the Company's web-site, www.kimlun.com to obtain information on the Group.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's financial position and prospects in presenting the annual financial statements and quarterly reports as well as announcement to Bursa Securities. The Board is assisted by the Audit Committee in reviewing the Group's financial reporting processes and accuracy of its financial results, and scrutinising information for disclosure to ensure compliance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets. However, the Board recognises that such system is structured to manage rather than eliminate the possibility of encountering risk of failure to achieve corporate objectives.

The Statement on Internal Controls is set out on pages 35 to 36 of the Annual Report providing an overview of the state of internal controls within the Group.

Relationship with Auditors

The Company has established a formal, transparent and appropriate relationship with the Company's auditors, both internal and external. From time to time, the auditors will highlight to the Audit Committee and the Board matters that require the Board's attention.

The Audit Committee meets with the external auditors at least twice a year without the presence of Executive Directors and management to discuss its audit plan, annual financial statements and their audit findings. The Audit Committee reviews with the external auditors the annual audited financial statements before recommending them to the Board for its approval.

ADDITIONAL COMPLIANCE INFORMATION PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Status of Corporate Proposals and Utilisation of Gross Proceeds

The status of utilization of the gross proceeds received from the Initial Public Offering ("IPO") of RM62.08 million as at 16 April 2012 is as follows:

Description	Estimated timeframe for utilisation upon Listing	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Deviation %	Explanation
Construction of factories and purchase of plant and machinery	Within 33 months^	31,540^	16,412	15,128	48.0%	(1)
Purchase of a parcel of industrial land	Within 12 months	5,200*	5,200	0	0%	(3)
Working capital	Within 33^ Months	21,340^	21,340	0	0%	
Estimated listing expenses	Immediate	4,000	4,000	0	0%	(2)
Total Proceeds		62,080	46,952	15,128		

Note:-

* Inclusive of estimated incidental cost of RM200,000.

^ Revised per the Company's announcement on 21 December 2011

(1) IPO proceeds will be utilized within the estimated timeframe. The Group does not expect any material deviation as at the date of this report.

(2) The total listing expenses was RM4.09 million. The deviation of RM0.09 million was financed via the funds generated internally by the Group.

(3) The total amount incurred on the purchase of the industrial land was RM5.19 million. The unutilised balance of RM0.01 million was used for working capital of the Group.

Private Placement

On 14 March 2012, the Company completed the listing and quotation of 11,450,000 new ordinary shares of RM0.50 each, representing 5% of the issued and paid-up share capital of the Company issued pursuant to a private placement exercise. The placement shares were issued at an issue price of RM1.50 per share, The status of utilization of the gross proceeds received from the private placement of RM17.175 million as at 16 April 2012 is as follows:

Description	Estimated timeframe for utilisation from the receipt of the proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	%	Explanation
Development and incidental expenditure of the Group's existing land bank	Within 18 months	13,000	-	13,000	100.0%	(4)
Purchase of a parcel of industrial land	Within 12 months	2,800	-	2,800	100.0%	(4)
Working capital	Within 18 Months	935	915	20	2.1%	(4)
Expenses incidental to the private placement	Within 1 month	440	440	0	0%	
Total Proceeds		17,175	1,355	15,820		

Note:-

(4) Private Placement proceeds will be utilized within the estimated timeframe. The Group does not expect any material deviation as at the date of this report.

Share Buy-Back

The Company did not undertake any share buy-back exercise during FY2011.

Options, Warrants or Convertible Securities Exercised

The Company did not have any options, warrants or convertible securities in issue.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during FY2011.

Sanctions and/or Penalties

The Company and its subsidiaries, Directors and management have not been imposed with any sanctions and/or penalties by any relevant regulatory bodies during FY2011.

Non-Audit Fees

During FY2011, non-audit fees incurred for services rendered to the Company and/or its subsidiaries by the Company's external auditors, or a firm affiliated to the external auditors were approximately RM47,500.

Variation in Results

There was no material variance between the audited results for FY2011 and the unaudited results previously announced by the Company.

No profit estimates, forecast or projection was announced or published by the Group.

Profit Guarantee

The Company did not receive any profit guarantee during FY2011.

Material Contracts

Save as disclosed under Note 30 to the financial statements contained in this Annual Report , there were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries involving Directors and major shareholders' interest, either still subsisting at the end of FY2011 or entered into since the end of the previous financial year.

Recurrent Related Party Transactions of Revenue and Trading Nature ("RRPT")

The Company had at the 2nd AGM of the Company held on 20 June 2011 obtained shareholders' mandate for the Group to enter into RRPT ("2011 Shareholders' Mandate"), which are necessary for its day-to-day operations and are in the ordinary course of business with related parties. The shareholders' mandate shall lapse at the conclusion of the Company's forthcoming AGM. The Company intends to seek a renewal of the shareholders' mandate for the RRPT at the Company's forthcoming AGM.

The details of the RRPTs transacted during FY2011 pursuant to the 2011 Shareholders' Mandate are as follows:

Subsidiaries involved	Transacting Parties	Categories of transactions	Value transacted RM'000	Interested Directors / Major Shareholders and persons connected to them
Kimlun Sdn Bhd ("KLSB")	Scudai Development Sdn Bhd ("SD")	Provision of construction services by KLSB to SD for construction of buildings and infrastructure	31,127	Pang Tin @ Pang Yon Tin^, his spouse and children collectively hold 90% interest in SD. Pang Khang Hau* holds 7.5% interest in SD. Phang Piow @ Pang Choo Ing* and Pang Chew Ngo# are also deemed interested by virtue of their family relationship to Pang Tin @ Pang Yon Tin.
KLSB, SPC Industries Sdn Bhd ("SPC"), I-Buildtech Solutions Pte. Ltd ("IBT")	Sri Pulai Granite Quarry Sdn Bhd ("Sri Pulai")	Purchase of quarry products and consumable materials from Sri Pulai	14,501	Pang Tin @ Pang Yon Tin^ and Phang Piow @ Pang Choo Ing* each hold 45% interest in Sri Pulai. Pang Khang Hau* and Pang Chew Ngo# are also deemed interested by virtue of their family relationship to Pang Tin @ Pang Yon Tin and Phang Piow @ Pang Choo Ing.
KLSB	Sri Pulai	Renting of premises from Sri Pulai	-	- As above -

Subsidiaries involved	Transacting Parties	Categories of transactions	Value transacted RM'000	Interested Directors / Major Shareholders and persons connected to them
KLSB, SPC	JB Enterprise Sdn Bhd ("JBE")	Renting of premises from JBE	12	Pang Tin @ Pang Yon Tin^ and his spouse collectively hold 100% interest in JBE. Phang Piow @ Pang Choo Ing*, Pang Khang Hau* and Pang Chew Ngo# are also deemed interested by virtue of their family relationship to Pang Tin @ Pang Yon Tin.
SPC	Sri Pulai Realty Sdn Bhd ("SPR")	Renting of premises from SPR	-	Phang Piow @ Pang Choo Ing*, his spouse and his children collectively hold 100% interest in SPR. Pang Tin @ Pang Yon Tin^ and Pang Chew Ngo# are deemed interested by virtue of their family relationship with Phang Piow@ Pang Choo Ing.
SPC	Properties Watch Sdn Bhd ("PWSB")	Renting of premises from PWSB	240	Pang Tin @ Pang Yon Tin^ and his spouse collectively hold 100% interest in PWSB. Phang Piow @ Pang Choo Ing*, Pang Khang Hau* and Pang Chew Ngo# are also deemed interested by virtue of their family relationship to Pang Tin @ Pang Yon Tin.
SPC	Mi Lun Woodworks Sdn Bhd ("MLW")	Provision of landscaping & maintenance service by MLW to SPC.	5	Pang Tin @ Pang Yon Tin^ and his spouse collectively hold 100% interest in MLW. Phang Piow @ Pang Choo Ing*, Pang Khang Hau* and Pang Chew Ngo# are also deemed interested by virtue of their family relationship to Pang Tin @ Pang Yon Tin.
KLSB	YTP Holdings Sdn Bhd ("YTP")	Renting of premises from YTP	1	Pang Tin @ Pang Yon Tin^, his spouse and children collectively hold 100% interest in YTP. Pang Khang Hau*, holds 15% interest in YTP. Phang Piow @ Pang Choo Ing* and Pang Chew Ngo# are also deemed interested by virtue of their family relationship to Pang Tin @ Pang Yon Tin.

^ Our Director and Major Shareholder
* Our Director and shareholder
\# Our shareholder and a Director of one of our subsidiary companies

The details of the renewal of the shareholders' mandate to be sought would be furnished in the Circular to Shareholders dated 25 May 2012 together with this Annual Report.

The details of the RRPTs transacted during FY2011 are disclosed in Note 30 to the financial statements contained in this Annual Report.

Audit Committee Report

MEMBERS OF THE AUDIT COMMITTEE

The member of the Audit Committee comprise of:-

1. **Kek Chin Wu**	Chairman / Independent Non-Executive Director
2. **Dato' Paduka(Dr.) Ir. Hj. Keizrul Bin Abdullah**	Member / Independent Non-Executive Director
3. **Chua Kee Yat @ Koo Kee Yat**	Member / Independent Non-Executive Director

The members of the Audit Committee consist solely of Independent Non-Executive Directors. All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. The Board must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee has carried out its duties in accordance with its terms of reference.

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2011, the Audit Committee met five (5) times. The meeting attendance of the Audit Committee members is as follows :

Name of Directors	Number of Meetings Held During Director's Tenure in Office	Attendance	Percentage of Attendance
Kek Chin Wu	5	5	100%
Dato' Paduka(Dr.) Ir. Hj. Keizrul Bin Abdullah	5	5	100%
Chua Kee Yat @ Koo Kee Yat	5	5	100%

SUMMARY OF TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The main duties and responsibilities of the Audit Committee shall be:-

(1) to consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;

(2) to discuss with the external auditor before the audit commence, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(3) to review the quarterly and year-end financial statements of the Board, focusing particularly on:-

(a) any change in accounting policies and practices;
(b) significant adjustments arising from the audits;
(c) the going concern assumption; and
(d) compliance with accounting standards and other legal requirements.

(4) to discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);

(5) to review the external auditors' management letter and management's responses;

(6) to do the following, in relation to the internal audit function:-
   (a) review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
   (b) review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
   (c) review any appraisal or assessment of the performance of members of the internal audit function;
   (d) approve any appointment or termination of senior staff members of the internal audit function; and
   (e) take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(7) to consider any related-party transactions that may arise within the Company or Group;

(8) to consider the major findings of internal investigations and management's response; and

(9) to consider other topics as defined by the Board.

In performing of its duties and responsibilities, the Audit Committee shall:-

(1) have the authority to investigate any matter within its terms of reference;

(2) have the resources which are required to perform its duties;

(3) have full and unrestricted access to any information pertaining to the Group;

(4) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

(5) be able to obtain independent professional or other advice at the expense of the Company and to invite outsiders with relevant experience and expertise to attend the Audit Committee meetings (if required) and to brief the Audit Committee; and

(6) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the Audit Committee met five times. In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 31 December 2011 in discharging its functions:

(a) Reviewed the external auditors' scope of work and their audit plan;

(b) Reviewed and discussed with the external auditors the results of their audit, the audit report and internal control recommendations in respect of internal control weaknesses noted in the course of their audit;

(c) Met with the external auditors and the internal auditors three times during the year without the presence of any executive Board member and employees of the Group;

(d) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

(e) Reviewed the internal audit programme and its results and whether or not appropriate action is taken on the recommendations of the internal audit function;

(f) Reviewed the quarterly unaudited financial results and recommended for the Board's approval;

(g) Reviewed the audited financial statements and Annual Report before recommending for the Board's approval;

(h) Reviewed the related party transactions on a quarterly basis and also the internal audit reports to ascertain that the review procedures established to monitor the related party transactions have been complied with;

(i) Reviewed the Company's compliance with the Listing Requirements of Bursa Securities for the Main Market and the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board;

(j) Reviewed the application of corporate governance principles and the extent of the Group's compliance with the best practices set out under the Malaysian Code on Corporate Governance; and

(k) Reviewed the terms of reference of the Audit Committee and recommend any amendments, where necessary to the Board for approval.

SUMMARY OF ACTIVITIES OF INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to a professional service firm. The internal audit function has been mandated to continually assess and monitor the Group's system of internal control.

During the financial year, the Internal Auditors carried out internal audit reviews to assess the adequacy and integrity of the system of internal control as established by the Management, so as to provide reasonable assurance that:-

- the system of internal control continues to operate satisfactorily and effectively;
- assets and resources are safeguarded;
- integrity of records and information is protected;
- internal policies, procedures and standards are adhered to; and
- applicable rules and regulations are complied with.

The scope of work, as approved by the Audit Committee, was essentially based on the risk profiles of individual business units in the Group, where areas of higher risk were included for internal audit. The internal audit covered key operational, financial and compliance controls, including the risk management process deployed by Management. Audit findings and areas of concern that need improvements were highlighted in the internal audit reports and reviewed at the Audit Committee meetings. During the Board meetings, the Chairman of the Audit Committee briefed the Board on audit matters and the minutes of the Audit Committee meetings were duly noted by the Board

This statement is made in accordance with the resolution of the Board of Directors dated 24 April 2012.

Statement on Internal Control

INTRODUCTION

The Board is committed to maintaining a sound system of internal control in the Group to safeguard shareholders' investments and the Group's assets. The Board is pleased to provide the Statement on Internal Control which outlines the nature and scope of internal control of the Group for the financial year ended 31 December 2011 ("FY2011") under review, in accordance with the Practice Note No 9 issued under paragraph 15.26(b) of Main Market Listing Requirements of Bursa Securities. For the purpose of this Statement, the Group comprises the holding company and its subsidiaries.

RESPONSIBILITIES OF THE BOARD

The Board acknowledges the importance of maintaining effective and sound internal control systems, covering all its financial and operating activities, to safeguard shareholders' investments and the Group's assets. Accordingly, the Board affirms its responsibility for the Group's system of internal controls and its commitment to review its effectiveness, adequacy and integrity to ensure implementation of appropriate system to effectively identify, evaluate and manage principal risks of the Group and to mitigate the effects of the principal risks on achieving the Group's business objectives.

In view of the limitations inherent in any system of internal controls, it should be appreciated that an effective system of internal controls is designed to manage the principal risks of the Group rather than to eliminate risk. System of internal controls can only provide reasonable and not absolute assurance against material misstatement of management and financial information, fraud or losses.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional service firm. The internal audit function has been mandated to continually assess and monitor the Group's system of internal control. The total cost paid or payable by the Group to the professional service firm amounted to RM54,000 for FY2011.

The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group. These plans are updated annually and approved by the Audit Committee.

The monitoring, review and reporting arrangements undertaken by the Internal Auditor gives reasonable assurance that the internal controls embedded within the major business processes of the Group are appropriate to the Group's operations to adequately manage the key risks of the Group.

RISK MANAGEMENT FRAMEWORK

The Board has overall accountability for ensuring that risk is effectively managed across the Group, and on behalf of the Board, the Audit Committee reviews the effectiveness of the Group's risk management process.

The Executive Management has been delegated with the responsibility to put in place an on-going process for identifying, evaluating and managing the significant risks faced by the Group; and is responsible for managing the key risks of the Group by implementing appropriate controls to manage those risks.

To ensure that our risk process drives improvement across the business, the Executive Management:

- regularly monitor on-going status and progress of key action plans against each risk;
- develops and updates policies, procedures, guidelines, templates and the like to assist in ensuring an awareness of what is an acceptable level of risk and that risks and opportunities are managed consistently and effectively across the Group;
- performs risk assessments on new ventures and activities, including projects, processes, systems and commercial activities to ensure that these are aligned with the Group's objectives and goals. Any risks or opportunities arising from these assessments will be identified, analysed and reported to the appropriate management level; and
- compiles and updates the risk register for emerging risks when required, and discusses at all regular meetings of the Executive Management and reports regularly to the Board and Audit Committee.

Furthermore, the discussions on risk are emphasised at Board level with risks being a key consideration in all strategic decision-making.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Other key elements of the system of internal control of the Group are as follows:-

- There is an organizational structure outlining the lines of responsibilities and authorities for planning, executing, controlling and monitoring the business operations;
- Appointment of staff is based on the required level of qualification, experience and competency to fulfil their responsibilities. Training and development is provided for selected staff to further enhance their skill and capability;
- There is an annual budgeting process. The Board reviews the actual performance against budget;
- Regular and comprehensive information are provided to the Board for monitoring and tracking of performance of the Group;
- Periodic operational review meetings are held and attended by the Executive Directors and the department heads to consider financial and operational issues of the Group as well as any management proposal; and
- There are formalised code of conduct and written policies and procedures on major processes to ensure compliance with internal control systems and relevant laws and regulations.
- ISO 9001:2008 Quality Management System has been implemented for certain subsidiaries of the Company. Annual surveillance audits are conducted by a certification body to provide assurance of compliance with ISO 9001:2008.
- Adequate insurance coverage and physical safeguarding of major assets are in put in place to guard against any mishap that may result in material losses to the Group.

CONCLUSION

The Board has reviewed the adequacy and integrity of the Group's system of internal controls and is of the opinion that the system had operated effectively. As the development of an efficient system of internal controls is an on-going process, the Board and the management reaffirm their commitment and continue to take appropriate measures to strengthen the internal control environment of the Group.

The external auditors have reviewed this Statement on Internal Control and reported to the Board that nothing has come to their attention that causes them to believe the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system.

This statement is made in accordance with the resolution of the Board dated 24 April 2012.

Statement on Directors' Responsibility

The Directors acknowledged their responsibilities as required by the Companies Act, 1965 to prepare the financial statements for each financial year so as to give a true and fair view of the state of affairs of the Group and the Company as at end of the financial year and of the results and cash flow of the Group and the Company for the financial year then ended.

In the preparation of the financial statements, the Directors have:

- adopted appropriate accounting policies and apply them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards have been complied with; and
- ensured the financial statement have been prepared on a going concern basis.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

This statement on Directors' responsibility is made in accordance with the resolution of the Board of Directors dated 24 April 2012.

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are as disclosed in Note15 to the financial statements.

There have been no significant changes in the nature of the Group's activities during the financial year.

RESULT

	Group RM	Company RM
Profit net of tax	42,674,281	10,907,251
Profit attributable to:		
Owners of the parent	42,711,760	10,907,251
Non-controlling interests	(37,479)	-
	42,674,281	10,907,251

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amounts of dividends paid by the Company since 31 December 2010 were as follows:

	RM
In respect of the financial year ended 31 December 2010 as reported in the directors' report of that year:	
Final tax exempt (single-tier) dividend of 5.60%, on 229,000,000 ordinary shares, declared on 20 June 2011 and paid on 29 July 2011	6,412,000
In respect of the financial year ended 31 December 2011:	
Interim tax exempt (single-tier) dividend of 4.00%, on 229,000,000 ordinary shares, declared on 25 August 2011 and paid on 21 October 2011	4,580,000
	10,992,000

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2011, of 3.10 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2012.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are :

Pang Tin @ Pang Yon Tin
Sim Tian Liang
Chin Lian Hing
Yam Tai Fong (f)
Pang Khang Hau
Phang Piow @ Pang Choo Ing
Kek Chin Wu
Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah @ Lim Teik Keat
Chua Kee Yat @ Koo Kee Yat

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate. Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 30 to the financial statements.

DIRECTORS' INTEREST

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			
	1 January 2011	**Bought**	**Sold**	**31 December 2011**
The Company				
Direct interest :				
Pang Tin @ Pang Yon Tin	92,421,200	-	-	92,421,200
Sim Tian Liang	6,658,900	-	-	6,658,900
Chin Lian Hing	6,658,900	-	-	6,658,900
Yam Tai Fong (f)	6,658,900	-	-	6,658,900
Pang Khang Hau	13,317,800	400,000	-	13,717,800
Phang Piow @ Pang Choo Ing	11,530,400	-	817,600	10,712,800
Kek Chin Wu	300,000		-	300,000
Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah @ Lim Teik Keat	50,000		-	50,000
Chua Kee Yat @ Koo Kee Yat	30,000		-	30,000
Indirect interest :				
Pang Tin @ Pang Yon Tin	1,150,000	800,000	-	1,950,000

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision has been made for doubtful debts; and

- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group inadequate to any substantial extent; and

- (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors :

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 April 2012.

Pang Tin @ Pang Yon Tin

Sim Tian Liang

Statements by Directors

Pursuant to Section 169(15) of The Companies Act, 1965

We, Pang Tin @ Pang Yon Tin and Sim Tian Liang, being two of the directors of Kimlun Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 45 to 93 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

The information set out in Note 39 to the financial statements have been prepared in accordance with the Guidance on 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, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 April 2012.

Pang Tin @ Pang Yon Tin	Sim Tian Liang

Statutory Declaration

Pursuant to Section 169(16) of The Companies Act, 1965

I, Yam Tai Fong, being the Director primarily responsible for the financial management of Kimlun Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 45 to 93 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Yam Tai Fong
at Johor Bahru in the State of Johor
Darul Ta'zim on 24 April 2012

Yam Tai Fong

Before me,

Independent Auditors' Report

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Kimlun Corporation Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 45 to 93.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

REPORT OF OTHER LEGAL AND REGULATORY REQUIREMENT

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

The supplementary information set out in Note 39 to the financial statements on page 94 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on 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, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF 0039
Chartered Accountants

Wun Mow Sang
1821/12/12(J)
Chartered Accountant

Johor Bahru, Malaysia
Date: 24 April 2012

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Revenue	4	652,133,569	527,592,978	12,392,376	6,247,958
Cost of sales		(572,876,168)	(463,462,881)	-	-
Gross profit		79,257,401	64,130,097	12,392,376	6,247,958
Other item of income					
Other operating income	5	4,671,865	3,907,199	-	-
Other items of expenses					
Administration expenses		(22,508,744)	(17,176,055)	(863,968)	(1,226,077)
Finance costs	6	(3,129,692)	(2,927,408)	-	-
Profit before tax	7	58,290,830	47,933,833	11,528,408	5,021,881
Income tax expense	10	(15,616,549)	(11,374,784)	(621,157)	(192,350)
Profit net of tax		42,674,281	36,559,049	10,907,251	4,829,531
Other comprehensive income:					
Foreign currency translation		7,252	(6,296)	-	-
Other comprehensive income for the year, net of tax		7,252	(6,296)	-	-
Total comprehensive income for the year		**42,681,533**	**36,552,753**	**10,907,251**	**4,829,531**
Profit attributable to:					
Owners of the parent		42,711,760	36,559,049	10,907,251	4,829,531
Non-controlling interests		(37,479)	-	-	-
		42,674,281	**36,559,049**	**10,907,251**	**4,829,531**
Total comprehensive income attributable to:					
Owners of the parent		42,719,012	36,552,753	10,907,251	4,829,531
Non-controlling interests		(37,479)	-	-	-
		42,681,533	**36,552,753**	**10,907,251**	**4,829,531**
Earnings per share attributable to owners of the parent (sen per share)					
Basic	11	**18.65**	**18.48**		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As At 31 December 2011

	Note	Group 2011 RM	Group 2010 RM
Non-current assets			
Property, plant and equipment	12	45,885,057	36,274,304
Investment properties	13	327,445	567,445
Other investments	14	90,000	90,000
		46,302,502	36,931,749
Current assets			
Properties held for sale	16	863,446	1,305,706
Development property	17	20,048,699	-
Inventories	18	12,486,445	5,853,905
Trade and other receivables	19	224,261,712	147,167,938
Other current assets	20	128,293,412	88,734,792
Cash and bank balances	22	81,652,900	111,216,618
		467,606,614	354,278,959
Total assets		**513,909,116**	**391,210,708**
Equity and liabilities			
Current liabilities			
Income tax payable		5,935,334	2,446,238
Loans and borrowings	23	51,003,769	26,706,257
Trade and other payables	24	212,496,374	163,332,332
Other current liability	25	10,796,047	8,109,658
		280,231,524	200,594,485
Net current assets		187,375,090	153,684,474
Non-current liabilities			
Loans and borrowings	23	14,022,187	4,403,350
Deferred tax liabilities	26	3,514,000	1,810,001
		17,536,187	6,213,351
Total liabilities		297,767,711	206,807,836
Net assets		216,141,405	184,402,872
Equity attributable to owners of the parent			
Share capital	27	114,500,000	114,500,000
Share premium	27	26,777,749	26,777,749
Retained earnings	28	74,849,007	43,129,247
Other reserves	29	3,128	(4,124)
		216,129,884	184,402,872
Non-controlling interests		11,521	-
Total equity		216,141,405	184,402,872
Total equity and liabilities		**513,909,116**	**391,210,708**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position (cont'd)

As At 31 December 2011

	Note	Company 2011 RM	Company 2010 RM
Non-current assets			
Investments in subsidiaries	15	108,499,999	82,500,001
Current assets			
Trade and other receivables	19	10,731,160	22,706,375
Other current assets	20	13,700	15,123
Cash and bank balances	22	22,401,314	36,412,062
		33,146,174	59,133,560
Total assets		**141,646,173**	**141,633,561**
Equity and liabilities			
Current liabilities			
Income tax payable		173,348	77,250
Trade and other payables	24	40,389	39,126
		213,737	116,376
Net current assets		32,932,437	59,017,184
Total liabilities		213,737	116,376
Net assets		141,432,436	141,517,185
Equity attributable to owners of the parent			
Share capital	27	114,500,000	114,500,000
Share premium	27	26,777,749	26,777,749
Retained earnings	28	154,687	239,436
Total equity		141,432,436	141,517,185
Total equity and liabilities		**141,646,173**	**141,633,561**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes In Equity

For The Financial Year Ended 31 December 2011

			Attributable to owners of the parent						
				Non-Distributable		Distributable	Non-Distributable		
	Note	Equity, total RM	Equity attributeable to owners of the parent, total RM	Share capital RM	Share premium RM	Retained earnings RM	Other reserves, total RM	Foreign currency translation reserve RM	Non-controlling interest RM
Group									
Opening balance at 1 January 2011		184,402,872	184,402,872	114,500,000	26,777,749	43,129,247	(4,124)	(4,124)	-
Total comprehensive income		42,681,533	42,719,012	-	-	42,711,760	7,252	7,252	(37,479)
Transactions with owners									
Share issuance by a subsidiary to non-controlling interest		49,000	-	-	-	-	-	-	49,000
Dividends on ordinary shares	36	(10,992,000)	(10,992,000)	-	-	(10,992,000)	-	-	-
Total transactions with owners		(10,943,000)	(10,992,000)	-	-	(10,992,000)	-	-	49,000
Closing balance at 31 December 2011		**216,141,405**	**216,129,884**	**114,500,000**	**26,777,749**	**74,849,007**	**3,128**	**3,128**	**11,521**

Statements of Changes In Equity (cont'd)

For The Financial Year Ended 31 December 2011

	Note	Equity, total RM	Equity attributeable to owners of the parent, total RM	Share capital RM	Share premium RM	Retained earnings RM	Other reserves, total RM	Foreign currency translation reserve RM	Non-controlling interest RM
			Attributable to owners of the parent						
				Non-Distributable		Distributable	Non-Distributable		
Group									
Opening balance at 1 January 2010		104,953,802	104,953,802	82,500,000	-	22,451,630	2,172	2,172	-
Eects of adopting FRS 139		(1,801,432)	(1,801,432)	-	-	(1,801,432)	-	-	
		103,152,370	103,152,370	82,500,000	-	20,650,198	2,172	2,172	-
Total comprehensive income		36,552,753	36,552,753	-	-	36,559,049	(6,296)	(6,296)	-
Transactions with owners									
Public share issue		62,080,000	62,080,000	32,000,000	30,080,000	-	-	-	-
Listing expenses		(3,302,251)	(3,302,251)	-	(3,302,251)	-	-	-	-
Dividend on ordinary shares	36	(14,080,000)	(14,080,000)	-	-	14,080,000)	-	-	-
Total transactions with owners		44,697,749	44,697,749	32,000,000	26,777,749	(14,080,000)	-	-	-
Closing balance at 31 December 2010		**184,402,872**	**184,402,872**	**114,500,000**	**26,777,749**	**43,129,247**	**(4,124)**	**(4,124)**	**-**

The accompanying accounting policies and explanatory notes form an integral part of the nancial statements.

	Note	Equity, total RM	Share capital RM	Share premium RM	Retained earnings RM
			<--Attributable to owners of the parent-->		
			Non- Distributable		Distributable
Company					
Opening balance at 1 January 2011		141,517,185	114,500,000	26,777,749	239,436
Total comprehensive income		10,907,251	-	-	10,907,251
Transaction with owners					
Dividends on ordinary shares	36	(10,992,000)	-	-	(10,992,000)
Total transaction with owners		(10,992,000)	-	-	(10,992,000)
Closing balance at 31 December 2011		**141,432,436**	**114,500,000**	**26,777,749**	**154,687**
Opening balance at 1 January 2010		(10,094)	1	-	(10,095)
Total comprehensive income		4,829,531	-	-	4,829,531
Transaction with owners					
Shares issued for acquisition of subsidiaries		82,499,999	82,499,999	-	-
Public share issue		62,080,000	32,000,000	30,080,000	-
Listing expenses		(3,302,251)	-	(3,302,251)	-
Dividends on ordinary shares	36	(4,580,000)	-	-	(4,580,000)
Total transaction with owners		136,697,748	114,499,999	26,777,749	(4,580,000)
Closing balance at 31 December 2010		**141,517,185**	**114,500,000**	**26,777,749**	**239,436**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flow

For The Financial Year Ended 31 December 2011

	Group	
	2011	2010
	RM	RM
Operating activities		
Profit before tax	58,290,830	47,933,833
Adjustments for :		
Interest income	(1,175,490)	(977,762)
Finance costs	1,924,017	1,887,413
Depreciation of property, plant and equipment	6,596,134	5,082,482
Gain on disposal of plant and equipment	(308,056)	(43,617)
Transfer of plant and equipment at loss	522	-
Bad debts recovered	-	(172,431)
Reversal of impairment loss on trade receivables	(186,139)	(40,000)
Gain on disposal of investment property	(60,000)	-
Loss on disposal of properties held for sale	160	24,740
Unrealised exchange gain	(162,774)	(371,446)
Operating cash flows before changes in working capital	64,919,204	53,323,212
Development property	(20,048,699)	-
Inventories	(6,632,540)	7,105,369
Trade and other receivables	(77,113,183)	(2,762,221)
Other current assets	(39,191,694)	(39,114,268)
Other current liability	2,594,089	3,035,081
Trade and other payables	48,109,062	29,931,247
Cash flows (used in)/from operations	(27,363,761)	51,518,420
Interest received	1,175,490	977,762
Income taxes paid	(10,423,454)	(13,597,968)
Interest paid	(1,924,017)	(1,887,413)
Net cash flows (used in)/from operating activities	(38,535,742)	37,010,801
Investing activities		
Purchase of property, plant and equipment	(12,389,933)	(20,882,044)
Purchase of other investments	-	(50,000)
Proceeds from disposal of plant and equipment	310,400	90,000
Net cash flows used in investing activities	(12,079,533)	(20,842,044)
Financing activities		
Dividend paid on ordinary shares	(10,992,000)	(14,080,000)
Repayment of obligation under finance leases	(3,475,954)	(2,204,724)
Proceeds from issuance of shares	-	62,080,000
Proceeds from issuance of shares by a subsidiary to non-controlling interests	49,000	-
Payment of listing expenses	-	(3,302,251)
Proceeds from/(Repayment of) loans and borrowings	32,107,723	(8,000,678)
Net cash flows from financing activities	17,688,769	34,492,347
Net (decrease)/increase in cash and cash equivalents	(32,926,506)	50,661,104
Effect of exchange rate changes on cash and cash equivalents	(49,473)	(22,287)
Cash and cash equivalents at beginning of the year	111,216,618	60,577,801
Cash and cash equivalents at end of the year (Note 22)	**78,240,639**	**111,216,618**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Company	
	2011 RM	2010 RM
Operating activities		
Profit before tax	11,528,408	5,021,881
Changes in working capital		
Trade and other receivables	11,975,215	(22,706,375)
Trade and other payables	1,263	29,031
Other current assets	1,423	(15,123)
Cash flows generated from/(used in) operating activities	23,506,309	(17,670,586)
Income taxes paid	(525,059)	(115,100)
Net cash flows generated from/(used in) operations	22,981,250	(17,785,686)
Investing activities		
Subscription of shares in subsidiaries	(25,999,998)	-
Net cash outflow on acquisition of subsidiaries	-	(2)
Net cash flows used in investing activities	(25,999,998)	(2)
Financing activities		
Dividend paid on ordinary shares	(10,992,000)	(4,580,000)
Proceeds from issuance of shares	-	62,080,000
Payment of listing expenses	-	(3,302,251)
Net cash flows generated from financing activities	(10,992,000)	54,197,749
Net (decrease)/increase in cash and cash equivalents	(14,010,748)	36,412,061
Cash and cash equivalents at beginning of the year	36,412,062	1
Cash and cash equivalents at end of the year (Note 22)	**22,401,314**	**36,412,062**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Suite19.06, Level 19, Johor Bahru City Square, 106-108, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor Darul Ta'zim.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note15. There have been no significant changes in nature of the principal activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2011 as described fully in Note 2.2.

The financial statements have been prepared on a historical basis and presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

Description	Effective for annual periods beginning on or later
Amendments to FRS 132 : Classification of Rights Issues	1 March 2010
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
Amendments to FRS 2 : Share-based Payment	1 July 2010
FRS 3 : Business Combinations	1 July 2010
Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 : Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 : Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 : Service Concession Arrangements	1 July 2010
IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 : Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 : Transfers of Assets from Customers	1 January 2011
Amendments to FRS 1 : Limited Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 1 : Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 7 : Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4 : Determining Whether an Arrangement contains a Lease	1 January 2011
Amendments to FRS 2 : Group Cash-settled Share Based Payment	1 January 2011
Amendments to IC Interpretation 13 : Customer Loyalty Programmes	1 January 2011
Improvements to FRS issued in 2010	1 January 2011

Adoption of the above Standards and Interpretations did not have any significant effect on the financial performance or position of the Group and of the Company except for those discussed below :

<u>Amendments to FRS 7: Improving Disclosures about Financial Instruments</u>

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 33.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective :

	Effective for annual periods beginning on or after
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 : Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to FRS 1 : Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7 : Transfers of Financial Assets	1 January 2012
Amendments to FRS 112 : Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 124 : Related Party Disclosures	1 January 2012
Amendments to FRS 101 : Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 : Consolidated Financial Statements	1 January 2013
FRS 11 : Joint Arrangements	1 January 2013
FRS 12 : Disclosure of interests in Other Entities	1 January 2013
FRS 13 : Fair Value Measurement	1 January 2013
FRS 119 : Employee Benefits	1 January 2013
FRS 127 : Separate Financial Statements	1 January 2013
FRS 128 : Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7 : Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 : Financial Instruments	1 January 2015

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

<u>Amendments to FRS 101 : Presentation of Items of Other Comprehensive Income</u>

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or"recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

<u>FRS 9 : Financial Instruments</u>

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

<u>FRS 10 : Consolidated financial statements</u>

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

<u>FRS 12 : Disclosure of Interests in Other Entities</u>

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards and interpretations issued but not yet effective (cont'd)

FRS 13 : Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127 : Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the applicationof MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of MFRS framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Basis of consolidation (cont'd)

Acquisition of subsidiary is accounted for by applying the purchase method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.6 Transactions with non-controlling interest

Non-controlling interest represents the portion of profit or loss and net assets in subsidiary not held by the Group, and is presented separately in the profit or loss of the Group and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Group owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2.7 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Foreign currency (cont'd)

(b) Foreign currency transactions(cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operation

The assets and liabilities of foreign operation are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

The principal exchange rate used for every unit of foreign currency ruling at the reporting date is as follows:

	2011 RM	2010 RM
Singapore Dollar	2.4426	2.3952

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land is measured at cost less impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	3%
Plant, machinery and motor vehicles	10% - 33.33%
Furniture and equipment	10%

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Property, plant and equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.9 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment loss.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.10 Properties held for sale

Properties are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject to terms that are usual and customary.

Immediately before classification as properties held for sale, the measurement of the non-current asset is brought up-to-date in accordance with applicable FRSs. Then, on initial classificationas held for sale, non-current asset is measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of its financial assets at initial recognition and categories its financial assets as loans and receivables.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2.13 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debt or and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Impairment of financial assets (cont'd)

(b) Unquoted and other investments carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, fixed deposits, and short term deposits which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.16 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Land held for property development and property development costs (cont'd)

(b) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 Financial liabilities (cont'd)

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.21 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Employee benefits (cont'd)

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.22 Leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.23 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.15.

(b) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Sales of properties

Revenue from sales of development properties is accounted for by the stage of completion method as described in Note 2.16(b).

(d) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

(e) Rental income

Rental income is recognised on accrual basis.

(f) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Useful lives of property, plant and equipment

The cost of plant and equipment of the Group are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be between 3 to 30 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the reporting date is disclosed in Note 12.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Revenue recognition

The Group recognises construction and property development revenues and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that construction and property development cost incurred for work performed to date bear to the estimated total construction and property development costs.

Significant judgement is required in determining the stage of completion, the extent of the construction and property development cost incurred, the estimated total construction and property development revenue and costs, as well as the recoverability of the construction and property development projects. In making the judgement, the Group evaluates based on past experience and internal budgeting.

(c) Income taxes

Judgement is involved in determining the Group's provision for income taxes as there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matter is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factor such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

When there is objective evidence of impairment, the amount and the timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 19.

4. REVENUE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Sales of goods	49,239,078	39,066,342	-	-
Construction revenue	601,954,649	487,833,940	-	-
Dividend income from subsidiaries	-	-	10,766,667	5,333,400
Interest income from subsidiaries	-	-	685,867	221,862
Interest income from fixed deposits	939,842	692,696	939,842	692,696
	652,133,569	**527,592,978**	**12,392,376**	**6,247,958**

5. OTHER OPERATING INCOME

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Interest income from loans and receivables	1,175,490	977,762	-	-
Amortisation of retention sum due from construction contract works	2,579,063	2,182,432	-	-
Rental income from machineries	440,040	411,913	-	-
Rental income from subletting of office	57,600	50,400	-	-
Insurance claim	51,614	159,413	-	-
Gain on disposal of plant and equipment	308,056	43,617	-	-
Gain on disposal of investment property	60,000	-	-	-
Miscellaneous	2	81,662	-	-
	4,671,865	**3,907,199**	**-**	**-**

6. FINANCE COSTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Interest expense on:				
- bank loan, bank overdrafts and bankers' acceptance	1,628,569	1,666,231	-	-
- obligation under finance leases	261,322	176,960	-	-
- amount due to non-controlling interest	34,127	-	-	-
- short term loan	-	44,222	-	-
Amortisation of retention sum due to construction contract works	1,205,674	1,039,995	-	-
	3,129,692	**2,927,408**	**-**	**-**

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Auditors' remuneration				
- statutory audits	74,662	73,671	21,000	20,000
- other services	5,000	5,000	5,000	5,000
Employee benefits expense (Note 8)	25,803,263	19,393,568	-	-
Non-executive director's remuneration (Note 9)	284,700	222,300	234,300	229,800
Hire of plant and machinery	21,130,604	14,517,502	-	-
Bad debts recovered	-	(172,431)	-	-
Depreciation of property, plant and equipment (Note 12)	6,596,134	5,082,482	-	-
Loss on disposal of properties held for sale	160	24,740	-	-
Reversal of impairment loss on trade receivables (Note 19)	(186,139)	(40,000)	-	-
Operating leases:				
- minimum lease payments on land and building	1,128,530	936,555	-	-
- minimum lease payments on machineries	70,300	21,942	-	-
Foreign exchange loss/(gain)				
- realised	496,304	603,628	-	-
- unrealised	(162,774)	(371,446)	-	-

8. EMPLOYEE BENEFITS EXPENSES

	Group	
	2011 RM	2010 RM
Wages, salaries and bonus	23,222,655	17,449,403
Contributions to defined contribution plan	2,389,989	1,795,241
Social security contributions	190,619	148,924
	25,803,263	**19,393,568**

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM2,746,800 (2010: RM2,257,140).

9. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	1,974,000	1,611,000	-	-
Fees overprovided	-	(7,500)	-	-
Bonus	478,500	411,000	-	-
Defined contribution plan	294,300	242,640	-	-
Total executive directors' remuneration (excluding benefits-in-kind) (Note 8)	2,746,800	2,257,140	-	-
Estimated money value of benefits-in-kind	76,599	36,021	-	-
Total executive directors' remuneration (including benefits-in-kind)	2,823,399	2,293,161	-	-
Non-Executive:				
Fees	220,800	213,300	220,800	220,800
Other emoluments	63,900	9,000	13,500	9,000
Total non-executive directors' remuneration (Note 7)	284,700	222,300	234,300	229,800
Total directors' remuneration	**3,108,099**	**2,515,461**	**234,300**	**229,800**

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2011	2010
Executive directors:		
RM350,001 - RM400,000	-	1
RM400,001 - RM450,000	-	2
RM450,001 - RM500,000	2	-
RM500,001 - RM550,000	-	2
RM550,001 - RM600,000	1	-
RM600,001 - RM650,000	1	-
RM650,001 - RM700,000	1	-
Non-Executive directors:		
RM50,000 and below	-	1
RM50,000 - RM100,000	3	3
RM100,001 - RM150,000	1	-

10. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 December 2011 and 2010 are:

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Statement of comprehensive income:				
Current income tax				
- Malaysian income tax	14,374,247	11,712,143	559,667	192,350
- (Over)/Underprovision in respect of previous year	(461,697)	(1,192,360)	61,490	-
	13,912,550	10,519,783	621,157	192,350
Deferred income tax (Note 26)				
- Origination and reversal of temporary differences	1,061,269	219,091	-	-
- Underprovision in respect of previous year	642,730	635,910	-	-
	1,703,999	855,001	-	-
Income tax expense recognised in profit or loss	**15,616,549**	**11,374,784**	**621,157**	**192,350**

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2011 and 2010 are as follows :

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Profit before tax	**58,290,830**	**47,933,833**	**11,528,408**	**5,021,881**
Taxation at Malaysian statutory tax rate of 25% (2010 : 25%)	14,572,708	11,983,458	2,882,102	1,255,470
Different tax rates in other country	(3,325)	(1,280)	-	-
Expenses not deductible for tax purposes	981,220	1,277,273	202,565	236,880
Income not subject to tax	(22,350)	(3,115)	(2,525,000)	(1,300,000)
Effect of different tax rates of 20% on first RM500,000 for companies qualified as small and medium enterprise	-	(50,000)	-	-
Utilisation of current year's reinvestment allowances	(145,336)	(1,082,249)	-	
Deferred tax assets not recognised	52,599	-	-	
Deferred tax assets recognised on unutilised reinvestment allowances	-	(192,853)	-	-
(Over)/Underprovision of income tax in respect of previous year	(461,697)	(1,192,360)	61,490	-
Underprovision of deferred tax in respect of previous year	642,730	635,910	-	-
Income tax expense recognised in profit or loss	**15,616,549**	**11,374,784**	**621,157**	**192,350**

10. INCOME TAX EXPENSE (cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year. The corporate tax rate applicable to the Singapore subsidiary of the Group was 17% for the year of assessment 2011 and 2010.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	Group	
	2011	**2010**
Profit net of tax attributable to owners of the parent (RM)	42,711,760	36,559,049
Weighted average number of ordinary shares in issue *	229,000,000	197,789,041
Basic earnings per share (sen)	**18.65**	**18.48**

* Ordinary shares arising from the acquisition of subsidiaries are assumed to be issued throughout the financial year 31 December 2010 as the acquisition of subsidiaries was accounted for under common control using the pooling of interest method of consolidation.

The diluted earnings per share is not presented as there were no potential dilutive ordinary shares outstanding at reporting date.

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Plant, machinery and motor vechicles RM	Furniture and equipment RM	Construction in progress RM	Total RM
Cost:						
At 1 January 2010	-	5,092,860	28,276,752	1,858,505	-	35,228,117
Additions	5,186,536	6,111,170	11,419,131	888,437	-	23,605,274
Disposals	-	-	(161,875)	-	-	(161,875)
At 31 December 2010 and 1 January 2011	5,186,536	11,204,030	39,534,008	2,746,942	-	58,671,516
Additions	-	1,200,641	9,557,965	794,955	4,656,192	16,209,753
Disposals	-	-	(668,174)	-	-	(668,174)
Transfer to profit or loss	-	-	(3,913)	-	-	(3,913)
At 31 December 2011	5,186,536	12,404,671	48,419,886	3,541,897	4,656,192	74,209,182
Accumulated depreciation :						
At 1 January 2010	-	905,754	15,961,048	563,420	-	17,430,222
Charge for the year (Note 7)	-	192,910	4,687,622	201,950	-	5,082,482
Disposals	-	-	(115,492)	-	-	(115,492)
At 31 December 2010 and 1 January 2011	-	1,098,664	20,533,178	765,370	-	22,397,212
Charge for the year (Note 7)		415,581	5,873,668	306,885	-	6,596,134
Disposals	-	-	(665,830)	-	-	(665,830)
Transfer to profit or loss	-	-	(3,391)	-	-	(3,391)
At 31 December 2011	-	1,514,245	25,737,625	1,072,255	-	28,324,125
Net carrying amount :						
At 31 December 2010	**5,186,536**	**10,105,366**	**19,000,830**	**1,981,572**	**-**	**36,274,304**
At 31 December 2011	**5,186,536**	**10,890,426**	**22,682,261**	**2,469,642**	**4,656,192**	**45,885,057**

Assets held under finance leases

During the financial year, the Group acquired property plant and equipment with an aggregate cost of RM3,819,820 (2010: RM2,723,230) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to RM12,389,933 (2010: RM20,882,044).

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The carrying amount of property, plant and equipment held under finance leases at the reporting date were as follows:

	Group	
	2011	**2010**
	RM	**RM**
Plant, machinery and motor vehicles	7,096,064	3,957,027
Furniture and equipment	-	2,899,272
	7,096,064	**6,856,299**

Leased assets are pledged as security for the related finance lease liabilities (Note 23).

Assets held in trust

The carrying amount of motor vehicles registered in the name of a third party holding in trust on behalf of the Group and still in use by the Group at the reporting date was RM111,469 (2010: RM150,811).

13. INVESTMENT PROPERTIES

	Group	
	2011	**2010**
	RM	**RM**
Freehold land and building, at cost		
At 1 January	567,445	567,445
Disposal	(240,000)	-
At 31 December	**327,445**	**567,445**

The investment properties are pledged to financial institutions for bank borrowings as referred to in Note 23.

14. OTHER INVESTMENTS

	Group	
	2011	**2010**
	RM	**RM**
Club memberships, at cost		
At 1 January	90,000	40,000
Addition	-	50,000
At 31 December	**90,000**	**90,000**

15. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM	Company 2010 RM
Unquoted shares, at cost	**108,499,999**	**82,500,001**

Name	Country incorporation	Principal Activities	Propotion (%) of ownership interest 2011	Propotion (%) of ownership interest 2010
Held by the Company:				
Kimlun Sdn Bhd [i]	Malaysia	Building and infrastructure contractors	100	100
SPC Industries Sdn Bhd [i]	Malaysia	Ready mix concrete production and manufacturing of pre-cast concrete products	100	100
Kimlun Land Sdn Bhd [i]	Malaysia	Investment holding and property investment	100	100
I-Buildtech Solutions Pte Ltd [ii]	Singapore	Provision of industrial building systems and the supply of construction and building materials	100	100
Held through Kimlun Land Sdn Bhd:				
Posh Atlantic Sdn Bhd [i]	Malaysia	Property development and property investment	51	-

i Audited by Ernst & Young, Malaysia
ii Audited by a firm other than Ernst & Young

(a) Allotment of shares

During the financial year, the Company was alloted with the following:

(i) 7,000,000 ordinary shares of RM1 each by a subsidiary, Kimlun Sdn. Bhd.. The consideration of the shares allotted amounting to RM7,000,000 was fully satisfied by cash.

(ii) 18,000,000 ordinary shares of RM1 each by a subsidiary, SPC Industrial Sdn. Bhd.. The consideration of the shares allotted amounting to RM18,000,000 was fully satisfied by cash.

(iii) 999,998 ordinary shares of RM1 each by a subsidiary, Kimlun Land Sdn. Bhd.. The consideration of the shares allotted amounting to RM999,998 was fully satisfied by cash.

(b) Acquisition of subsidiary

On 28th January 2011, a wholly owned subsidiary of the Company, Kimlun Land Sdn. Bhd. ("KLLSB") subscribed for 51,000 ordinary shares of RM1 each at par in Posh Atlantic Sdn. Bhd. ("PASB") (for a cash consideration of RM51,000), which represents 51% of the total issued and paid-up share capital of PASB. Upon the acquisition, PASB became a subsidiary of the Group.

16. PROPERTIES HELD FOR SALE

	Group 2011 RM	Group 2010 RM
Cost:		
At 1 January	1,305,706	1,337,816
Addition	226,900	182,630
Disposal	(669,160)	(214,740)
At 31 December	**863,446**	**1,305,706**

Certain property held for sale of the Group amounting to RMNil (2010: RM301,160) was pledged to a financial institution for bank borrowings.

17. DEVELOPMENT PROPERTY

	Freehold land RM	Group Development costs RM	Total RM
Property development costs			
Cumulative property development costs:			
At 1 January 2011	-	-	-
Costs incurred during the year	19,381,103	667,596	20,048,699
At 31 December 2011	**19,381,103**	**667,596**	**20,048,699**

A piece of the freehold land with carrying amount of RM14,536,919 (2010: RMNil) has been pledged as security for a term loan (Note 23).

18. INVENTORIES

	Group 2011 RM	Group 2010 RM
Cost:		
Raw materials	3,711,415	2,457,501
Finished goods	8,247,944	2,687,344
	11,959,359	5,144,845
Net realisable value		
Finished goods	527,086	709,060
	12,486,445	**5,853,905**

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Trade receivables				
Third parties	213,104,925	139,946,552	-	-
Amounts due from company related to certain directors	3,379,752	4,514,416	-	-
	216,484,677	144,460,968	-	-
Less: Allowance for impairment				
Third parties	(254,503)	(440,642)	-	-
Trade receivables, net	216,230,174	144,020,326	-	-
Other receivables				
Refundable deposit	7,294,918	2,596,699	4,500	4,500
Amount due from subsidiaries	-	-	10,726,660	22,701,875
Sundry debtors	736,620	550,913	-	-
	8,031,538	3,147,612	10,731,160	22,706,375
Total trade and other receivables (current)	224,261,712	147,167,938	10,731,160	22,706,375
Add: Cash and bank balances (Note 22)	81,652,900	111,216,618	22,401,314	36,412,062
Total loans and receivables	**305,914,612**	**258,384,556**	**33,132,474**	**59,118,437**

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2010: 30 to 90 day) terms, although in practice, this may extend to120 days. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original certificated or invoiced amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	2011 RM	2010 RM
Neither past due nor impaired	197,050,235	133,255,887
1 to 30 days past due not impaired	2,628,140	4,753,333
31 to 60 days past due not impaired	1,667,867	772,485
61 to 90 days past due not impaired	8,615,775	1,932,776
91 to 120 days past due not impaired	2,692,849	994,440
More than 121 days past due not impaired	3,163,814	1,899,911
	18,768,445	10,352,945
Impaired	665,997	852,136
	216,484,677	**144,460,968**

19. TRADE AND OTHER RECEIVABLES (cont'd)

Trade receivables (cont'd)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM18,768,445 (2010: RM10,352,945) that are past due at the reporting date but not impaired and are not secured by any collateral or credit enhancements.

The management is confident that the balance of receivables that are past due but not impaired are recoverable as these accounts are still active.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired	
	2011	**2010**
	RM	**RM**
Trade receivables - nominal amounts	665,997	852,136
Less: Allowance for impairment	(254,503)	(440,642)
	411,494	**411,494**
Movement in allowance accounts :		
At 1 January	440,642	480,642
Reversal of impairment losses (Note 7)	(186,139)	(40,000)
At 31 December	**254,503**	**440,642**

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Related party balances

Amount due from subsidiaries are unsecured, interest bearing at 3.20% to 3.50% p.a. (2010: 3.15% to 3.20% p.a.) and is repayable on demand.

20. OTHER CURRENT ASSETS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Prepayments	523,654	371,288	13,700	15,123
Accrued billing from customers	14,003,664	5,002,455	-	-
Gross amount due from customers for contract work (Note 21)	113,766,094	83,361,049	-	-
	128,293,412	**88,734,792**	**13,700**	**15,123**

21. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK-IN-PROGRESS

	Group	
	2011 RM	2010 RM
Construction contract costs incurred to date	1,923,709,228	1,713,201,542
Attributable profits	330,466,436	285,423,245
	2,254,175,664	1,998,624,787
Less: Progress billings	(2,151,205,617)	(1,923,373,396)
	102,970,047	**75,251,391**
Presented as:		
Gross amount due from customers for contract work (Note 20)	113,766,094	83,361,049
Gross amount due to customers for contract work (Note 25)	(10,796,047)	(8,109,658)
	102,970,047	**75,251,391**
Retention sums on construction contract, included in trade receivables	**75,567,908**	**57,723,649**

The cost incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2011 RM	2010 RM
Hire of plant and machinery	20,540,948	13,849,147
Depreciation of plant and equipment	4,218,810	3,310,463
Rental expense for land and building	181,900	161,960
Rental expense for plant and equipment	70,300	21,942

22. CASH AND BANK BALANCES

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Cash on hand and at banks	35,993,782	27,507,744	2,162,444	162,806
Short term deposits with:				
Licensed banks	45,659,118	83,446,360	20,238,870	36,249,256
Foreign bank	-	262,514		-
Cash and bank balances	**81,652,900**	**111,216,618**	**22,401,314**	**36,412,062**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of the Group and the Company, and earn interests at respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2011 for the Group and the Company were 3.04% (2010: 2.35%) and 3.15% (2010 : 2.35%) respectively.

Short-term deposits with licensed banks of the Group amounting to RM25,420,248 (2010: RM32,459,618) are pledged as securities for borrowings (Note 23).

Included in short-term deposits with licensed banks of the Group are deposits amounting to RMNil (2010: RM592,722) registered under the name of a director of a subsidiary and held in trust on behalf of the Group.

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Cash and short term deposits	81,652,900	111,216,618	22,401,314	36,412,062
Less: Bank overdrafts (Note 23)	(3,412,261)	-	-	-
Cash and cash equivalents	**78,240,639**	**111,216,618**	**22,401,314**	**36,412,062**

23. LOANS AND BORROWINGS

	Maturity	Group 2011 RM	Group 2010 RM
Current			
Secured:			
Bank overdrafts (Note 22)	on demand	3,412,261	-
Bankers' acceptances	2012	43,623,000	23,395,000
Term loans	2012	1,141,660	1,067,780
Obligations under finance leases (Note 31 (c))	2012	2,826,848	2,243,477
		51,003,769	26,706,257
Non-current			
Secured:			
Term loans	2013 - 2017	13,281,497	3,423,155
Obligations under finance leases (Note 31 (c))	2013 - 2016	740,690	980,195
		14,022,187	4,403,350
Total loans and borrowings		**65,025,956**	**31,109,607**

The remaining maturities of the loan and borrowings as at 31 December 2011 are as follows:

	Group 2011 RM	Group 2010 RM
On demand or within one year	51,003,769	26,706,257
More than 1 year and less than 2 years	1,919,701	2,053,483
More than 2 years and less than 5 years	9,355,486	2,349,867
5 years and more	2,747,000	-
	65,025,956	**31,109,607**

Obligations under finance leases

These obligations are secured by a pledge over the leased assets (Note12). The discount rate implicit in the leases is between 2.32% to 4.94% p.a. (2010: 2.32% to 4.94% p.a.).

23. LOANS AND BORROWINGS (cont'd)

Bank overdrafts, bankers' acceptance and term loans

The interest rate at the reporting date were as follows:

	Group	
	2011	2010
	%	%
Bank overdrafts	BLR + 1.0 to 1.50	BLR + 1.5 to 2.0
Bankers' acceptances	1.0 to 1.5	1.5 to 2.0
Term loans	BLR - 0.75 to + 1.0	BLR + 1.0

The bank overdrafts, bankers' acceptance and term loans together with bank guarantee facility are secured by :

(a) First, second and third legal charges for RM45 million over the investment properties as disclosed in Note 13;

(b) Legal charge over 7 pieces of land belonging to related parties and joint and several guarantee by certain directors of the Company;

(c) Legal charge over a piece of freehold land as disclosed in Note 17;

(d) Short-term deposit pledged as disclosed in Note 22;

(e) Limited debentures by way of fixed and floating charges over a project;

(f) Personal guarantee by a non-controlling interest, who is also a director of a subsidiary company; and

(g) Corporate guarantee by the Company.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade payables				
Third parties	182,133,579	136,860,521	-	-
Amount due to company related to certain directors	7,881,379	8,008,870	-	-
	190,014,958	144,869,391	-	-

24. TRADE AND OTHER PAYABLES (cont'd)

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Other payables				
Accrued operating expenses	10,938,213	7,754,041	36,965	35,702
Other payables	5,333,670	6,562,941	-	-
Deposits payable	4,262,033	4,145,959	-	-
Amount due to subsidiary company	-	-	3,424	3,424
Amount due to non-controlling interest	1,947,500	-	-	-
	22,481,416	18,462,941	40,389	39,126
Total trade and other payables (current)	212,496,374	163,332,332	40,389	39,126
Add: Loans and borrowings (Note 23)	65,025,956	31,109,607	-	-
Total financial liabilities carried at amortised cost	**277,522,330**	**194,441,939**	**40,389**	**39,126**

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 day (2010: 30 to 90 day) terms.

(b) Other payables

These amounts are non-interest bearing.

(c) Amount due to subsidiary company

This amount is unsecured, non-interest bearing and is repayable on demand.

(d) Amount due to non-controlling interest

This amount is unsecured, interest bearing at 3.50% per annum and is repayable on demand.

25. OTHER CURRENT LIABILITY

	Group	
	2011 RM	2010 RM
Gross amount due to customers for contract work (Note 21)	**10,796,047**	**8,109,658**

26. DEFERRED TAXATION

Deferred income tax as at 31 december relates to the following:

	As at 1 January 2010 RM	Recognised in profit or loss RM	As at 31 December 2010 RM	Recognised in profit or loss RM	As at 31 December 2011 RM
Group					
Deferred tax liabilities of the Group:					
Property, plant and equipment	1,252,800	766,614	2,019,414	1,439,728	3,459,142
Unrealised foreign exchange	-	-	-	54,858	54,858
	1,252,800	766,614	2,019,414	1,494,586	3,514,000
Deferred tax assets of the Group:					
Unrealised foreign exchange	(72,000)	92,930	20,930	(20,930)	-
Provision	(225,800)	225,800	-	-	-
Unutilised tax credits	-	(230,343)	(230,343)	230,343	-
	(297,800)	88,387	(209,413)	209,413	-
	955,000	**855,001**	**1,810,001**	**1,703,999**	**3,514,000**

Presented after appropriate o setting as follows:

	Group 2011 RM	2010 RM
Deferred tax assets	-	(209,413)
Deferred tax liabilities	3,514,000	2,019,414
	3,514,000	**1,810,001**

27. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares of RM0.50 each	Amount		
	Share capital (Issued and fully paid)	Share Capital (Issued and fully paid) RM	Share premium RM	Total RM
Company				
At 1 January 2010	2	1	-	1
Issued for acquisition of subsidiaries	164,999,998	82,499,999	-	82,499,999
Public share issue	64,000,000	32,000,000	30,080,000	62,080,000
Listing expenses	-	-	(3,302,251)	(3,302,251)
At 31 December 2010 and 31 December 2011	**229,000,000**	**114,500,000**	**26,777,749**	**141,277,749**

	Number of ordinary share RM0.50 each 2011	2010	Amount 2011	2010
Company			**RM**	**RM**
Authorised share capital				
At 1 January and 31 December	**1,000,000,000**	**1,000,000,000**	**500,000,000**	**500,000,000**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

28. RETAINED EARNINGS

In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). As the Company was only incorporated on 4 August 2009 and did not have any Section 108 balance prior to 31 December 2007, distributions out of the Company's retained earnings to shareholders of the Company shall be made under the single tier system.

29. OTHER RESERVES

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency.

30. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year :

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Purchase of raw materials from company related to certain directors	20,852,506	19,914,595	-	-
Sales of finished goods to company related to certain directors	-	23,270	-	-
Contract fee receivable from company related to certain directors	9,528,685	17,318,778	-	-
Rental of land and building paid to companies related to certain directors	467,760	411,930	-	-
Interest income received from subsidiaries	-	-	685,867	221,862
Dividend income received from subsidiaries	-	-	10,766,667	5,333,400

Company/Companies related to certain directors

These entities are subject to the same source of influence as the Company through common directors.

31. COMMITMENTS

(a) Capital commitments

	Group 2011 RM	Group 2010 RM
Capital commitments as at the reporting date is as follows:		
Approved and contracted for :		
Property, plant and equipment	**4,750,170**	**1,102,320**

(b) Operating lease commitment - as lessee

The Group has entered into commercial lease on land. The lease has a tenure of up to twenty-two months with no renewal option or contingent rent provision included freehold land. The Group is restricted from subleasing the leased land to third parties.

Minimum lease payments recognised in profit or loss for the financial year ended 31 December 2011 amounted to RM1,198,830 (2010: RM958,497).

31. COMMITMENTS (cont'd)

(b) Operating lease commitment - as lessee (cont'd)

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2011	**2010**
	RM	**RM**
Not later than 1 year	315,422	120,000
Later than 1 year but not later than 5 years	8,150	80,000
	323,572	**200,000**

(c) Finance lease commitments

The Group has finance leases for certain items of plant and equipment (Note 12).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group	
	2011	**2010**
	RM	**RM**
Minimum lease payments:		
Not later than 1 year	2,958,844	2,382,452
Later than 1 year but not later than 2 years	714,301	935,964
Later than 2 years but not later than 5 years	45,216	70,359
Total minimum lease payments	3,718,361	3,388,775
Less: Amounts representing finance charges	(150,823)	(165,103)
Present value of minimum lease payments	**3,567,538**	**3,223,672**
Present value of payments:		
Not later than 1 year	2,826,848	2,243,477
Later than 1 year but not later than 2 years	697,723	911,823
Later than 2 years but not later than 5 years	42,967	68,372
Present value of minimum lease payments	3,567,538	3,223,672
Less: Amount due within 12 months (Note 23)	(2,826,848)	(2,243,477)
Amount due after 12 months (Note 23)	**740,690**	**980,195**

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	19
Cash and bank balances (current)	22
Loan and borrowings (current)	23
Loan and borrowings (non-current)	23
Trade and other payables (current)	24

The carrying amounts of these financial assets and liabilities of the Group and of the Company at the reporting date approximate fair values due to the relatively short term maturity of these financial instruments.

Fair value of retention sums on construction contract are estimated by discounting expected future cash flows at market incremental lending rate at the reporting date.

Guarantees

The fair value of the guarantees provided by the Company in connection with credit facilities, construction contracts and development agreement granted to its subsidiaries is estimated to be minimal as the chances of the financial institutions and third parties to call upon the guarantees are not probable.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Management. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not undertake any trading of derivative financial instruments.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company minimise and monitor its credit risk by strictly limiting the Group's and Company's associations to business partners with high credit worthiness. Receivable balances are monitored on an ongoing basis.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the statements of financial position.
- an amount of RM280,673,044 (2010: RM20,425,453) relating to corporate guarantees provided by the Company to several financial institutions for its subsidiaries' credit facilities and third parties for the credit facilities granted by suppliers, the subsidiaries' performance in construction contracts and development agreement.

Credit risk concentration profile

The Group and the Company do not have any significant exposure to any individual customers or counterparties nor does it have any major concentration of credit risk related to any financial instruments.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To ensure continuity of funding, the Group's and the Company's policy is to manage the debt maturity profile, operating cash flows and the availability of funding to support the operating cycle of the business.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Total RM
2011			
Group			
Financial liabilities:			
Trade and other payables	212,496,374	-	212,496,374
Loans and borrowings	51,334,049	14,196,118	65,530,167
Total undiscounted financial liabilities	**263,830,423**	**14,196,118**	**278,026,541**
Company			
Financial liabilities:			
Trade and other payables	40,389	-	40,389
Total undiscounted financial liabilities	**40,389**	**-**	**40,389**
2010			
Group			
Financial liabilities:			
Trade and other payables	163,332,332	-	163,332,332
Loans and borrowings	27,117,396	4,782,867	31,900,263
Total undiscounted financial liabilities	**190,449,728**	**4,782,867**	**195,232,595**
Company			
Financial liabilities:			
Trade and other payables	39,126	-	39,126
Total undiscounted financial liabilities	**39,126**	**-**	**39,126**

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's primary interest rate risk relates to interest-bearing borrowings. The investments in financial assets including fixed deposits are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by using a mix of fixed and floating rate debts and actively reviewing its debt portfolio, taking into account the investment holding period and nature of its assets.

The Group does not expect any material effect on the Group's profit net of tax and equity arising from the effect of reasonably possible changes to interest rates on interest-bearing financial instruments at the end of the reporting period.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group's entities. The foreign currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD") and Euro ("EUR"). The Group did not enter into any forward currency contracts during the financial years ended 31 December 2011 and 2010 respectively.

The Group is also exposed to currency translation risk arising from its investments in foreign operation in Singapore. The Group's net investments in Singapore is not hedged as currency positions in SGD is considered to be long-term in nature.

The Group does not expect any material effect on the Group's profit net of tax and equity arising from the effect of reasonably possible changes to foreign currency exchange rates at the end of the reporting period.

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 2010.

The Group is not subject to any externally imposed capital requirements.

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) Construction

(ii) Manufacturing of concrete products and trading of building materials

(iii) Investment

(iv) Property development

35. SEGMENT INFORMATION (cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Construction RM	Manufacturing RM	Investment RM	Property development RM	Eliminations RM	Consolidation RM
At 31 December 2011						
Revenue:						
External customers	601,954,649	49,239,078	939,842	-	-	652,133,569
Inter-segment	296,621	2,429,832	11,452,534	-	(14,178,987)	-
Total revenue	**602,251,270**	**51,668,910**	**12,392,376**	**-**	**(14,178,987)**	**652,133,569**
Results:						
Segment results	67,074,247	11,245,305	12,392,376	-	(11,454,527)	79,257,401
Other operating income						4,671,865
Administration expenses						(22,508,744)
Finance costs						(3,129,692)
						58,290,830
Income tax expense						(15,616,549)
Net profit for the year						**42,674,281**
Assets:						
Segment assets	**390,685,572**	**78,865,591**	**141,646,173**	**23,059,815**	**(120,348,035)**	**513,909,116**
Liabilities:						
Segment liabilities	**247,130,132**	**39,355,472**	**213,737**	**22,483,167**	**(11,414,797)**	**297,767,711**

35. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Investment RM	Eliminations RM	Consolidation RM
At 31 December 2010					
Revenue:					
External customers	487,833,940	39,066,342	692,696	-	527,592,978
Inter-segment	6,086,358	10,266,631	5,555,262	(21,908,251)	-
Total revenue	**493,920,298**	**49,332,973**	**6,247,958**	**(21,908,251)**	**527,592,978**
Results:					
Segment results	53,954,737	9,898,875	6,247,958	(5,971,473)	64,130,097
Other operating income					3,907,199
Administration expenses					(17,176,055)
Finance costs					(2,927,408)
					47,933,833
Income tax expense					(11,374,784)
Net profit for the year					**36,559,049**
Assets:					
Segment assets	**307,572,135**	**55,068,354**	**141,633,563**	**(113,063,344)**	**391,210,708**
Liabilities:					
Segment liabilities	**201,593,789**	**35,225,327**	**120,893**	**(30,132,173)**	**206,807,836**

36. DIVIDENDS

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Recognised during the financial year:				
Dividends on ordinary shares:				
- Final tax exempt (single tier) dividend for 2010: 2.80 sen (2009: 0.61 sen) per share	6,412,000	1,000,000 *	6,412,000	-
- Final tax exempt (single tier) dividend for 2009: 5.15 sen	-	8,500,000 *	-	-
- Interim tax exempt (single tier) dividend for 2011: 2.00 sen (2010: 2.00 sen) per share	4,580,000	4,580,000	4,580,000	4,580,000
	10,992,000	**14,080,000**	**10,992,000**	**4,580,000**

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2011, of 3.10 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2012.

* These dividends were paid by certain subsidiaries of the Company in year 2010 prior to their respective acquisition by the Company.

37. EVENTS OCCURRING AFTER THE REPORTING DATE

(a) Acquisition of land

(i) SPC Industries Sdn Bhd, a subsidiary of the Company had entered into a conditional Sale and Purchase Agreement ("SPA") with a third party to acquire a piece of leasehold industrial land for a cash consideration of RM15,500,000. The SPA has since became unconditional and pending completion.

(ii) Kimlun Land Sdn Bhd, a subsidiary of the Company completed its acquisition of nine parcels of freehold agriculture land from few third parties for a total cash consideration of RM27,361,388.

(b) Private placement

The Company issued 11,450,000 ordinary shares of RM0.50 each for cash pursuant to a private placement exercise at a placement price of RM1.50 per ordinary share. Gross proceeds of RM17,175,000 were raised through the share placement exercise to fund mainly the Group's venture into property development and the acquisition of a parcel of industrial land as disclosed in Note 37(a)(i).

The Company's share capital increased from 229,000,000 ordinary shares of RM0.50 each as at the reporting date to 240,450,000 ordinary shares of RM0.50 each after the issuance of the private placement shares.

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2011were authorised for issue in accordance with a resolution of the directors on 24 April 2012.

39. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

The breakdown of the retained profits of the Group and of the Company as at 31 December 2011 and 2010 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on 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, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Total retained profits				
- Realised	78,561,099	45,286,740	154,687	239,436
- Unrealised	(3,278,879)	(1,726,284)	-	-
	75,282,220	43,560,456	154,687	239,436
Less: Consolidation adjustments	(433,213)	(431,209)	-	-
Retained earnings as per financial statements	**74,849,007**	**43,129,247**	**154,687**	**239,436**

Analysis of Shareholdings
As At 2 May 2012

Authorised Share Capital	: RM500,000,000.00
Issued and Fully Paid Up Capital	: RM120,225,000.00
Class of shares	: Ordinary shares of RM0.50 each
Voting rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS (As Per Record of Depositors)

Size of Shareholdings	No. of shareholders	% of Shareholders	No. of shares	% of Issued Capital
1 - 99	3	0.098	30	0.000
100 - 1,000	353	11.592	262,300	0.109
1,001 - 10,000	1,918	62.988	10,118,700	4.208
10,001 - 100,000	635	20.853	20,228,270	8.412
100,001 – 12,022,499 *	134	4.400	109,501,700	45.540
12,022,500 and above **	2	0.065	100,339,000	41.729
Total	**3,045**	**100.000**	**240,450,000**	**100.000**

* less than 5% of issued shares
** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS (Excluding Bare Trustees) (As Per Register of Substantial Shareholders)

	Direct Interest		Indirect Interest	
Name of shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
1. Pang Tin @ Pang Yon Tin	86,421,200	35.941	-	-
2. Pang Khang Hau	13,917,800	5.788	-	-

DIRECTORS' SHAREHOLDINGS (As Per Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
1. Pang Tin @ Pang Yon Tin	92,421,200^	38.436	2.508,000*	1.043
2. Pang Khang Hau	13,917,800	5.788	-	-
3. Phang Piow @ Pang Choo Ing	10,712,800	4.455	-	-
4. Sim Tian Liang	6,658,900@	2.769	-	-
5. Chin Lian Hing	6,658,900	2.769	-	-
6. Yam Tai Fong	6,658,900#	2.769	-	-
7. Kek Chin Wu	300,000	0.125	-	-
8. Dato' Paduka(Dr.) Ir. Hj. Keizrul Bin Abdullah	50,000	0.021	-	-
9. Chua Kee Yat @ Koo Kee Yat	30,000	0.012	-	-

Note :-

^ Includes 6,000,000 shares held in bare trust by EB Nominees (Tempatan) Sdn. Bhd.

@ Includes 2,000,000 shares each held in bare trust by Amsec Nominees (Tempatan) Sdn Bhd and TA Nominees (Tempatan) Sdn Bhd respectively.

Includes 2,000,000 shares held in bare trust by TA Nominees (Tempatan) Sdn Bhd.

* Deem interest by virtue of his children's shareholdings.

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	Pang Tin @ Pang Yon Tin	86,421,200	35.941
2.	Pang Khang Hau	13,917,800	5.788
3.	Phang Piow @ Pang Choo Ing	10,712,800	4.455
4.	HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (Norges Bk Lend)	8,656,700	3.600
5.	Chin Lian Hing	6,658,900	2.769
6.	EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pang Tin @ Pang Yon Tin (JBU)	6,000,000	2.495
7.	Yam Tai Fong	4,658,900	1.937
8.	Loh Chew Lon	4,341,300	1.805
9.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	3,188,000	1.325
10.	Lew Kim Bock	3,044,100	1.266
11.	Leong Choon Thye	2,980,300	1.239
12.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL AL-FAID (4389)	2,787,700	1.159
13.	Sim Tian Liang	2,658,900	1.105
14.	Amsec Nominees (Tempatan) Sdn Bhd AMTrustee Bhd for Pacific Pearl Fund (UT-PM-PPF)	2,146,300	0.892
15.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sim Tian Liang	2,000,000	0.831
16.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sim Tian Liang	2,000,000	0.831
17.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yam Tai Fong	2,000,000	0.831
18.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL AL-FAUZAN (5170)	1,881,000	0.782
19.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Bhd for Libra Tacticalextra Fund (250082)	1,700,000	0.707
20.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL Progress Fund (4082)	1,646,800	0.684
21.	Pang Chew Ngo	1,599,600	0.665

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors) (cont'd)

Name of Shareholders		No. of Shares Held	% of Issued Capital
22.	Pang Koi Moy	1,527,500	0.635
23.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Bhd for MAAKL Value Fund (950290)	1,524,100	0.633
24.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for Eastspring Investments Bhd	1,315,000	0.546
25.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL Dividend Fund (5311-401)	1,189,100	0.494
26.	Pang Yili	1,150,000	0.478
27.	DB (Malaysia) Nominee (Tempatan) Sdn Bhd MIDF Amanah Asset Management Bhd for Lembaga Tabung Haji (JG283)	1,117,800	0.464
28.	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Bhd (LBF)	1,109,500	0.461
29.	AM Nominees (Tempatan) Sdn Bhd Lembaga Tabung Haji	1,102,700	0.458
30.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Smart Treasure Fund (4694-002)	1,071,600	0.445
	Total	**182,107,600**	**75.736**

The thirty largest shareholders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the shares from different securities accounts belonging to the same depositor).

List of Properties

Held By The Group As At 31 December 2011

No	Description	Address/Location	Date of Acquisition	Tenure of Land (years)	Existing use	Land area (sq. ft.)	Built-up area (sq. ft.)	Age of Building	Net book value (RM)
1	Double storey shophouse	2, Jalan Beringin, Taman Beringin, 81400 Senai, Johor	30/04/1994	Freehold	Store	1,539	2,673	17	143,244
2	Double storey shophouse	1, Jalan Beringin, Taman Beringin, 81400 Senai, Johor	30/04/1994	Freehold	Store	1,539	2,673	17	184,201
3	Double storey terrace house	15, Jalan SP10/2, Seksyen 10, Saujana Puchong, 47100 Bandar Putra Permai, Selangor	11/07/2011	Leasehold (99 years expiring 12/06/2091)	Vacant	1,650	1,755	6	226,900
4	Double storey terrace house	PTD 118571 HS(D) 425899, Mukim Tebrau, Johor	27/02/2008	Freehold	Vacant	1,170	1,613	Not Applicable (a	141,746
5	Double storey semi-detached house	PTD 72903 HS (D) 437128, Mukim Kulai, District Kulai Jaya, Johor	11/11/2009	Freehold	Vacant	3,196	2,438	1 year	494,800
6	3 factory buildings and 1 detached administrative office block	PTD 90544, HS(M) 1203, Mukim Kulai, District of Kulai Jaya, Johor	02/09/2002 (b)	Freehold	Factory and office building	605,457	111,010	10	9,342,403
7	1 factory building	Lot 2689, Mukim Kulai, District of Kulai Jaya, Johor	29/11/ 2010	Not applicable (c)	Factory building	274,689	113,168	1 year	5,949,500 (d)
8	Enterprise land	Geran 169505, Lot 33072 (previously HSD 7107 PT 12132), Mukim Dengkil, Daerah Sepang, Negeri Selangor	28/1/2011	Freehold	Vacant	215,622	Not Applicable	Not Applicable	14,536,919
9	Development land	HS(M) 5247 to HS(M)5438, PTD11392 to PTD 11497, PTD11501 to PTD11586, Mukim Jeram Batu, District of Pontian, Johor	22/9/2011	Freehold	Vacant	206,343	Not Applicable	Not Applicable	4,000,000

Notes :

(a) Age of property is not applicable as construction is still under progress.
(b) This being the acquisition date of the factory building. The acquisition of the freehold land on which the buildings were erected thereon was completed on 27 October 2010.
(c) Tenure of land is not applicable as the building is sited on rented land held by a related company.
(d) The Net Book Value is in relation to the building only.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting ("AGM") of the Company will be held at the Casuarina Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Monday, 18 June 2012 at 2.30 p.m. to transact the following business:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect the following Directors who retire pursuant to Article 86 of the Company's Articles of Association:-

   i) Pang Tin @ Pang Yon Tin **(Resolution 1)**

   ii) Chin Lian Hing **(Resolution 2)**

   iii) Kek Chin Wu **(Resolution 3)**

3. To declare a final single tier dividend of 3.1 sen per ordinary share for the financial year ended 31 December 2011. **(Resolution 4)**

4. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

Special Business

5. To consider and if thought fit, to pass the following resolution:-

   To approve the payment of Directors' Fees for the financial year ended 31 December 2011. **(Resolution 6)**

6. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:-

   "THAT pursuant to Section 129 of the Companies Act, 1965, Phang Piow @ Pang Choo Ing, who is over the age of 70 years be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next AGM." **(Resolution 7)**

To consider and if thought fit, to pass the following resolutions, with or without modifications, as Ordinary/ Special Resolutions of the Company:-

7. ORDINARY RESOLUTION I
AUTHORITY TO ISSUE SHARES **(Resolution 8)**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next AGM of the Company unless revoked or varied by the Company at a general meeting."

8. ORDINARY RESOLUTION II **(Resolution 9)**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES ("PROPOSED RRPT MANDATES")

"THAT pursuant to Paragraph 10.09 Part E of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements"), the Company and its subsidiaries ("KLCB Group") be and are hereby authorised to enter into any of the recurrent transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders of the Company dated 25 May 2012 with the related parties mentioned therein which are necessary for the KLCB Group's day-to-day operations, provided that the transactions are in the ordinary course of business, on normal commercial terms and on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

AND THAT such approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

whichever is earlier;

AND THAT the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things as they may deemed fit and expedient in the interest of the Company to give full effect to the Proposed RRPT Mandates."

9. ORDINARY RESOLUTION III **(Resolution 10)**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENT (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL ("PROPOSED RENEWAL OF SBB MANDATE")

"THAT subject to compliance with the Act, the Memorandum and Articles of Association of the Company, the Listing Requirements and all other applicable laws, regulations and guidelines, the Company be and is hereby authorised to allocate an amount not exceeding the total of audited share premium reserve and retained profit of the Company for the purpose of purchasing such amount of ordinary shares of RM0.50 each ("KLCB Shares") in the Company ("Proposed Renewal of SBB Mandate") as may be determined by the Directors of the Company provided that the aggregate number of KLCB Shares purchased pursuant to this resolution does not exceed 24,045,000 Shares in the Company, representing ten percent (10%) of the total issued and paid-up capital of the Company;

THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to deal with the KLCB Shares in the following manner:-

i) to cancel the KLCB Shares so purchased; or

ii) to retain the KLCB Shares so purchased as treasury shares for distribution as dividends to shareholders and/or resell through Bursa Securities in accordance with the relevant rules of Bursa Securities; or .

iii) combination of (i) and (ii) above;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:

i) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

whichever is earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may deemed fit and expedient in the interest of the Company to give full effect to the Proposed Renewal of SBB Mandate."

10. SPECIAL RESOLUTION **(Resolution 11)**

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

"THAT the amendments to the Company's Articles of Association as set out in Appendix I be and is hereby approved and adopted."

11. To consider any other business of which due notice shall be given in accordance with the Companies Act, 1965.

By Order of the Board

TAY LEE SHYA (MIA 16982)
NG YEN HOONG (LS 008016)
WONG PEIR CHYUN (MAICSA 7018710)
Company Secretaries
Kuala Lumpur

25 May 2012

NOTICE OF DIVIDENTD ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Third AGM of the Company, a final single tier dividend of 3.1 sen per ordinary share in respect of the financial year ended 31 December 2011 will be payable to shareholders of the Company on 3 August 2012. The entitlement date for the said dividend shall be 10 July 2012.

A depositor shall qualify for entitlement to the dividend only in respect of:

a) shares transferred to the depositor's securities account before 4.00 p.m. on 10 July 2012 in respect of transfers; and

b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAY LEE SHYA (MIA 16982)
NG YEN HOONG (LS 008016)
WONG PEIR CHYUN (MAICSA 7018710)
Company Secretaries
Kuala Lumpur

25 May 2012

NOTES:-

1. Notes on Appointment of Proxy

(a) A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

(b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's Seal or under the hand of an officer or attorney duly authorised.

(c) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meetings. Where a member appoints 2 proxies, he shall specify the proportions of his shareholdings to be represented by each proxy.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(f) Where the authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(g) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

(h) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 62(1) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 11 June 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

2. **Explanatory Notes**

(i) Item 1 of Agenda

This item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

Special Business

(ii) Resolution 6 – Payment of Directors' Fee

This Resolution, if passed, will authorise the Company to pay a Directors' Fee of RM220,800 for the financial year ended 31 December 2011.

(iii) Resolution 7 - Re-appointment of Director Pursuant to Section 129 of the Companies Act, 1965

The re-appointment of Phang Piow @ Pang Choo Ing, person over the age of 70 years as Director of the Company to hold office until the conclusion of the next AGM of the Company shall take effect if the proposed Resolution is passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution have been duly given.

(iv) Resolution 8 – Authority to Issue Shares

The Proposed Resolution 8 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the Issued Share Capital of the Company for such purposes as the Directors consider would be in the interest of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The renewed General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this renewed General Mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investments projects, working capital, repayment of bank borrowings and acquisition.

As at the date of this Notice, the Company has placed out 11,450,000 new Ordinary Shares of RM0.50 each at an issue price of RM1.50 each pursuant to the authority granted to the Directors at the last AGM held on 20 June 2011 which will lapse at the conclusion of this forthcoming AGM. The placement raised a total of RM17,175,000 and the placement shares were all listed on the Main Market of Bursa Malaysia Securities Berhad on 14 March 2012 ("Private Placement"). Details and status of the utilisation of proceeds from the Private Placement are set out in the "Other Information Required by the Bursa Malaysia Securities Berhad Main Market Listing Requirements" in page 29 of this 2011 Annual Report.

(v) Resolution 9 – Proposed RRPT Mandates

This resolution, if passed, will authorise the Company and each of its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business. For further information on the recurrent related party transactions, please refer to the Circular to Shareholders dated 25 May 2012 enclosed together with the Company's Annual Report 2011.

(vi) Resolution 10 – Proposed Renewal of SBB Mandate

This resolution, if passed, will give the Company the authority to purchase its own ordinary shares of up to ten percent (10%) of the issued and paid-up share capital of the Company.

(vii) Resolution 11 – Proposed Amendments to the Articles of Association

The proposed amendments to the Articles of Association of the Company are to comply with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and for facilitating some administration issues.

Appendix I

Proposed Amendments To The Articles Of Association Of Kimlun Corporation Berhad

The existing Articles of Association ("Articles") of the Company is proposed to be amended as set out in the third column below:-

Article No.	Existing Provision	Amended Provision
63	Subject always to the provisions of Section 151 of the Act no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid. All business shall deemed special that is transacted at any extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of receipts and consideration of the profit and loss accounts, balance sheets and the report of the Directors and Auditors, the declaration of dividend, the election of Directors, and the appointment and fixing of the remuneration of Auditors.	Subject always to the provisions of Section 151 of the Act no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid. All business shall deemed special that is transacted at any extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of receipts and consideration of the profit and loss accounts, balance sheets and the report of the Directors and Auditors, the declaration of dividend, the appointment and election of Directors, fixing of remuneration and fees of Directors and the appointment and fixing of the remuneration of Auditors.
64	In every notice calling a general meeting of the Company there shall appear with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint not more than 2 proxies to attend and vote in his stead, and that a proxy may, but need not be a member of the Company or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints 2 proxies, he shall specify the proportion of his holdings to be represented by each proxy. Provided always that, where a member of the Company is an authorised nominee as defined under the Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	In every notice calling a general meeting of the Company there shall appear with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint not more than 2 proxies to attend and vote in his stead, and that a proxy may, but need not be a member of the Company or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints 2 proxies, he shall specify the proportion of his holdings to be represented by each proxy. Provided always the following:- (a) Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. (b) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. (c) Where the authorized nominee appoints two (2) proxies, or where an exempt authorized nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Article No.	Existing Provision	Amended Provision
80	The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed o confer authority to demand or join in demanding a poll. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
82	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of poll, and in default the instrument of proxy shall not be treated as valid.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority shall be deposited at the office of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of poll, and in default the instrument of proxy shall not be treated as valid. A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy but however such attendance shall automatically revoke the proxy's authority.
137	The first Secretaries shall be **Ng Yen Hoong** (f) (LS No. 008016) and **Wong Peir Chyun** (f) (MAICSA No. 7018710). The Secretary or Secretaries shall in accordance with the Act be appointed by the Directors for such terms, at such remuneration and upon such conditions as they think fit, and any Secretary so appointed may be removed by them. The Directors may from time to time appoint a temporary substitute for the Secretary or Secretaries who shall be deemed to be the Secretary during the term of his appointment.	(i) The first Secretaries shall be **Ng Yen Hoong** (f) (LS No. 008016) and **Wong Peir Chyun** (f) (MAICSA No. 7018710). The Secretary or Secretaries shall in accordance with the Act be appointed by the Directors for such terms, at such remuneration and upon such conditions as they think fit, and any Secretary so appointed may be removed by them. The Directors may from time to time appoint a temporary substitute for the Secretary or Secretaries who shall be deemed to be the Secretary during the term of his appointment. (ii) The office of the Secretary shall be vacated if the secretary resigns by notice in writing to the company, left at the Office and copies sent to all the directors for the time being at their last known residential addresses. Where a Secretary gives notice of resignation to the directors, the Secretary shall cease to act as Secretary with immediate effect, and unless provided in the terms of engagement, within the stipulated time.

Article No.	Existing Provision	Amended Provision
139	A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Article 136, shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of that Directors.	A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Article 138, shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.
142	The Directors shall from time to time in accordance with Section 169 of the Act, cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in that section. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' reports shall not exceed four (4) months. The company must within six (6) months from it financial year end, issue an annual reports to its members. A copy of each such documents, shall not less than twenty-one (21) days before the date of the meeting, be sent to every member of the Company under the provision of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Exchange, shall at the same time be forwarded to the Exchange upon which the Company is listed. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or outside Malaysia but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office of the Company.	The Directors shall from time to time in accordance with Section 169 of the Act, cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in that section. The interval between the close of a financial year of the Company and the issuance of the annual audited accounts, the directors' and auditors' reports shall not exceed four (4) months. The company must within six (6) months from its financial year end, issue an annual reports to its members. A copy of each such documents in printed form or in CD-ROM form or in such other form of electronic media, shall not less than twenty-one (21) days before the date of the meeting, be sent to every member of the Company under the provision of the Act or of these Articles. The requisite number of copies of each such document as may be required by the stock exchange upon which the Company is listed, shall likewise be sent to the stock exchange. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or outside Malaysia but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office of the Company.
170	Notwithstanding Section 31 of the Act, the Company shall not delete, amend or add to any of these Articles unless prior written approval has been sought or obtained from the Exchange for such deletion, amendment, or addition.	(Deleted)

Proxy Form

KIMLUN

KIMLUN CORPORATION BERHAD (867077 X)
(Incorporated in Malaysia)

No. of Shares held	

I/We____

of____

being a member/members of **Kimlun Corporation Berhad**, hereby appoint______________________________

of____

or failing him, ____________________________of________________________________

as *my/our proxy to vote for *me/us and on *my/our behalf at the 3rd Annual General Meeting of the Company, to be held at Casuarina Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Monday, 18 June 2012 at 2.30 p.m. and, at every adjournment thereof *for/against the resolution(s) to be proposed thereat.

Item	AGENDA	Resolution	For	Against
1.	**Ordinary Business** Receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon.			
2(i)	Re-election of Pang Tin @ Pang Yon Tin as Director of the Company pursuant to Article 86 of the Company's Articles of Association	**1**		
2(ii)	Re-election of Chin Lian Hing as Director of the Company pursuant to Article 86 of the Company's Articles of Association	**2**		
2(iii)	Re-election of Kek Chin Wu as Director of the Company pursuant to Article 86 of the Company's Articles of Association	**3**		
3.	Declaration of a final single tier dividend of 3.1 sen per ordinary share for the financial year ended 31 December 2011.	**4**		
4.	Re-appointment of Messrs Ernst & Young as Auditors.	**5**		
5.	**Special Business** Approval of Directors' fees for the financial year ended 31 December 2011.	**6**		
6	Re-appointment of Phang Piow @ Pang Choo Ing as Director of the Company pursuant to Section 129 of the Companies Act, 1965	**7**		
7.	Authority to the Directors to issue shares pursuant to Section 132D of the CompaniesAct, 1965.	**8**		
8.	Proposed RRPT Mandates.	**9**		
9.	Proposed Renewal of SBB Mandate.	**10**		
10.	Proposed Amendments to the Articles of Association.	**11**		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fits.

As witness my hand, this____________________________day of________________________________

____

*Strike out whichever is not desired.

Signature or Common Seal of Member(s)

Notes:

(a) A member entitled to attend and vote at the Meeting is entitled to appoint proxy(ies) (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

(b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's Seal or under the hand of an officer or attorney duly authorised.

(c) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meetings. Where a member appoints 2 proxies, he shall specify the proportions of his shareholdings to be represented by each proxy.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(f) Where the authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(g) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

(h) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 62(1) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 11 June 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

FOLD HERE

AFFIX
STAMP

The Company Secretary
Kimlun Corporation Berhad (867077 X)
Level 18, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur

FOLD HERE