

KNUSFORD BERHAD (380100-D)**Condensed consolidated balance sheet**

At 31 December 2009

	At 31 December 2009 RM'000	At 31 December 2008 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	48,363	49,306
Investment properties	25,748	22,223
Land held for property development	27,528	27,528
Deferred tax asset	52	142
	101,691	99,199
Current Assets		
Receivables, deposits and prepayments	134,511	49,768
Inventories	1,568	2,655
Property development cost	15,767	16,504
Tax recoverable	1,452	1,706
Cash and cash equivalents	34,646	29,097
	187,944	99,730
TOTAL ASSETS	289,635	198,929
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	99,645	99,645
Reserves	71,171	64,661
Total equity attributable to equity holders	170,816	164,306
Liabilities		
Borrowings	1,842	2,221
Deferred tax liabilities	3,344	3,204
Total non-current liabilities	5,186	5,425
Payables and accruals		
Borrowings	85,377	26,047
	28,256	3,151
Total current liabilities	113,633	29,198
Total Liabilities	118,819	34,623
TOTAL EQUITY AND LIABILITIES	289,635	198,929
Net assets per share (RM)	1.7142	1.6489

(The condensed consolidated balance sheet should be read in conjunction with the financial statements for the year ended 31 December 2008)

KNUSFORD BERHAD (380100-D)

Condensed consolidated income statement

For the year ended 31 December 2009

	Current 3 months ended 31 December		Cumulative 12 months ended 31 December	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	101,206	23,298	206,424	112,540
Cost of sales	(93,927)	(20,163)	(187,586)	(102,419)
Gross profit	7,279	3,135	18,838	10,121
Other income	566	214	1,473	2,716
Administrative expenses	(2,965)	(4,061)	(10,051)	(13,208)
Finance cost	(150)	(131)	(546)	(631)
Profit/(loss) before taxation	4,730	(843)	9,714	(1,002)
Taxation	(1,649)	184	(3,204)	(808)
Profit/(loss) after taxation	<u>3,081</u>	<u>(659)</u>	<u>6,510</u>	<u>(1,810)</u>
Attributable to				
Equity holders of the parent	3,081	(659)	6,510	(1,810)
Minority interest	-	-	-	-
	<u>3,081</u>	<u>(659)</u>	<u>6,510</u>	<u>(1,810)</u>
Earnings per share attributable to equity holders of the parent				
EPS - Basic (sen)	<u>3.09</u>	<u>(0.66)</u>	<u>6.53</u>	<u>(1.82)</u>
EPS - Diluted (sen)	<u>3.09</u>	<u>(0.66)</u>	<u>6.53</u>	<u>(1.82)</u>

(The condensed consolidated income statement should be read in conjunction with the financial statements for the year ended 31 December 2008)

KNUSFORD BERHAD (380100-D)**Condensed consolidated statement of changes in equity**

For the year ended 31 December 2009

	Attributable to the Equity Holders of the Parent			Total RM'000	Minority interest RM'000	Total Equity RM'000
	Non-distributable Share capital RM'000	Share premium RM'000	Distributable Retained profits RM'000			
At 1 January 2009	99,645	22,693	41,968	164,306	-	164,306
Net profit/(loss) for the period	-	-	6,510	6,510	-	6,510
Dividends	-	-	-	-	-	-
At 31 December 2009	<u>99,645</u>	<u>22,693</u>	<u>48,478</u>	<u>170,816</u>	<u>-</u>	<u>170,816</u>
At 1 January 2008	99,645	22,693	44,515	166,853	-	166,853
Net profit/(loss) for the period	-	-	(1,810)	(1,810)	-	(1,810)
Dividends	-	-	(737)	(737)	-	(737)
At 31 December 2008	<u>99,645</u>	<u>22,693</u>	<u>41,968</u>	<u>164,306</u>	<u>-</u>	<u>164,306</u>

(The condensed consolidated statements of changes in equity should be read in conjunction with the financial statements for the year ended 31 December 2008)

KNUSFORD BERHAD (380100-D)

Condensed consolidated cash flow statement

For the year ended 31 December 2009

	31 December 2009 RM'000	31 December 2008 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	9,714	(1,002)
Adjustments for:		
Depreciation of property, plant and equipment	7,635	8,435
Depreciation of investment property	454	378
Gain on disposal of property, plant and equipment	(442)	(1,466)
Interest expenses	546	631
Interest income	(457)	(702)
Property, plant and equipment written-off	214	250
Unrealised loss on foreign exchange	0	214
Operating profit before changes in working capital	<u>17,664</u>	<u>6,738</u>
Changes in working capital:		
Properties under development	737	(1,825)
Inventories	1,087	2,616
Receivables, deposits and prepayments	(84,742)	(2,468)
Payables and accruals	58,414	(490)
Cash generated from operations	<u>(6,840)</u>	<u>4,571</u>
Income taxes paid	<u>(1,804)</u>	<u>(1,092)</u>
Net cash generated from operating activities	<u>(8,644)</u>	<u>3,479</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,027)	(19,156)
Acquisition of investment property	(4,529)	(233)
Interest received	457	702
Deposits pledged with licensed banks	(7,081)	(204)
Proceeds from disposal of property, plant and equipment	1,113	2,318
<i>Net cash (used in)/generated from investing activities</i>	<u>(17,067)</u>	<u>(16,573)</u>
Cash flows from financing activities		
Dividend paid	0	(737)
Interest paid	(546)	(631)
(Repayment of)/proceeds from revolving credits	24,700	(200)
Proceeds from finance lease liabilities	3,150	0
Repayment of finance lease liabilities	(3,151)	(2,687)
Net cash used in financing activities	<u>24,153</u>	<u>(4,255)</u>
Net increase/(decrease) in cash and cash equivalents	(1,558)	(17,349)
Cash and cash equivalents at beginning of period	21,871	39,220
Cash and cash equivalents at end of period	<u>20,313</u>	<u>21,871</u>
Deposits with licensed banks (excluding deposits pledged)	3,041	12,621
Cash & bank balance	17,298	9,250
	<u>20,339</u>	<u>21,871</u>
Bank Overdraft	(26)	0
	<u>20,313</u>	<u>21,871</u>

(The condensed consolidated cash flow statement should be read in conjunction with the financial statements for the year ended 31 December 2008)

KNUSFORD BERHAD (380100-D)

Notes to the interim financial report – 31 December 2009

A FRS 134 – Interim Financial Reporting

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements are to be read in conjunction with the audited financial statements for the year ended 31 December 2008. The accounting policies, method of computation and basis of consolidation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2008.

A2 Auditors' report

There is no qualification on the audited report of the Group's preceding annual financial statements.

A3 Seasonal or cyclical factors

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

A4 Unusual items

There were no unusual items for the financial year ended 31 December 2009.

A5 Changes in estimates

Not applicable.

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and twelve months ended 31 December 2009.

A7 Dividends paid

No dividend was paid for the current quarter and twelve months ended 31 December 2009.

A8 Segmental information

Segmental information is presented in respect of the Group's business segment. Inter-segment pricing is determined based on negotiated terms.

	12 months ended 31 December 2009 Revenue RM '000	12 months ended 31 December 2008 Revenue RM '000	12 months ended 31 December 2009 Profit before tax RM '000	12 months ended 31 December 2008 Profit before tax RM '000
Trading and services	134,804	120,310	3,436	932
Property development	3,695	1,379	28	(1,524)
Construction	109,451	-	7,040	-
Investment Property	1,456	1,456	567	706
	<hr/> 249,406	<hr/> 123,145	<hr/> 11,071	<hr/> 114
Inter-segment eliminations	(42,982)	(10,605)	(767)	(833)
Unallocated income			457	702
Unallocated expenses			(1,047)	(985)
	<hr/> 206,424	<hr/> 112,540	<hr/> 9,714	<hr/> (1,002)

A9 Valuation of property, plant and equipment

Valuation of property, plant and equipment has been brought forward, without amendment from the preceding annual financial statements.

A10 Event subsequent to the balance sheet date

There were no material events subsequent to the balance sheet date.

A11 Changes in composition of the Group

There are no changes in the composition of the Group for the quarter under review.

A12 Changes in contingent liabilities

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economics benefits will required or the amount is not capable of reliable measurement. Hence, there are no changes in contingent liabilities.

A13 Significant Related Party Transactions

The group has significant related party transactions with companies in which certain directors of the Company have interest, as follows:-

	As at 31 December 2009 RM'000
With companies in which certain Directors of the Company, have interests:	
Aramijaya Sdn Bhd	5,606
Danga Bay Sdn Bhd	10,351
Ekovest Construction Sdn Bhd	9,607
Pembinaan Sahabatjaya Sdn Bhd	22,762
Rampai Fokus Sdn Bhd	3,324
Viro M&E Sdn Bhd	7,053

B Bursa Malaysia listing requirements – Revised Part A of Appendix 9B

B1 Review of performance for the period

The Group recorded a turnover of RM206.424 million and a profit before tax of RM9.714 million for the 12 months ended 31 December 2009 as compared to a turnover of RM112.540 million and a loss before tax of RM1.002 million for the preceding year corresponding period. The increase in turnover was mainly due to the revenue generated by the construction division, whereas the increase in profit before tax was due to increase in contributions from the Trading & services and Construction divisions.

B2 Comparison with preceding quarter results

For the quarter under review, the Group recorded a profit before taxation of RM4.730 million on a turnover of RM101.206 million as compared to a profit before taxation of RM3.146 million on a turnover of RM47.566 million for the preceding quarter. The profit for the quarter under review was due to increase in contributions from the Trading & services and Construction division.

B3 Prospects

The outlook for the construction industry remains competitive and challenging, which the group substantially relies on for its business activities. Nevertheless, the Board will continue to look for other business opportunities to maintain satisfactory results in the coming financial year.

B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

B5 Taxation

	Current quarter ended 31 December 2009 RM '000	12 months ended 31 December 2009 RM '000
Current provision	1,380	2,969
Over provision in respect of prior years	-	(36)
Under provision in respect of prior years	40	42
Deferred tax	229	229
	<hr/>	<hr/>
	1,649	3,204

The Group's effective tax rate for the current quarter ended 31 December 2009 is higher than the prima facie tax rate mainly due to the losses incurred by certain subsidiaries and disallowable expenses.

B6 Unquoted investments and properties

There were no profits on sale of unquoted investments and/or properties as there were no disposal of unquoted investment and/or properties for the current quarter and financial year ended 31 December 2009.

B7 Quoted securities

There were no purchase or disposal of quoted securities for the current quarter and financial year ended 31 December 2009.

B8 Corporate proposals

(A) The company has implemented the following corporate exercise in the two (2) years preceding the date there of:-

- (i) An Employees' Share Option Scheme ("ESOS") for eligible employees and executive directors commencing 23 April 2003 and to be in force for a period of five (5) years. The said ESOS has expired on 22 April 2008.

B9 Group borrowings

**At
31 December 2009
RM '000**

Current:	
Bank Overdraft - unsecured	26
Revolving credits - unsecured	25,150
Finance lease liabilities	3,080
	28,256
Non-current:	
Finance lease liabilities	1,842
	1,842

B10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risks.

B11 Changes in material litigations.

There were no changes in material litigations of the Group since the last annual balance sheet date.

B12 Dividends declared

No dividend has been proposed for the current quarter and financial year ended 31 December 2009.

B13 Earnings per share

	Current quarter ended 31 December 2009 RM '000	Preceding year corresponding quarter ended 31 December 2008 RM '000	Cumulative 12 months ended 31 December 2009 RM '000	Cumulative 12 months ended 31 December 2008 RM '000
Earnings	3,081	(659)	6,510	(1,810)
Issued ordinary shares at beginning of period	99,645	99,645	99,645	99,645
Effect of shares issued for the period	-	-	-	-
Weighted average number of shares at end of period	99,645	99,645	99,645	99,645
Basic earning per ordinary shares (sen)	3.09	(0.66)	6.53	(1.82)
Diluted earning per ordinary shares (sen)	N/A	N/A	N/A	N/A