

**KNUSFORD BERHAD (380100-D)****Condensed consolidated statement of financial position**

At 31 March 2010

	At 31 March 2010 RM'000	At 31 December 2009 RM'000
<b>Assets</b>		
Property, plant and equipment	45,616	47,820
Investment properties	25,665	25,803
Land held for property development	27,528	27,528
Deferred tax assets	564	564
<b>Total non-current assets</b>	99,373	101,715
Property development costs	13,761	13,495
Receivables, deposits and prepayments	118,886	142,668
Inventories	3,808	3,844
Tax recoverable	1,553	1,578
Cash and cash equivalents	35,924	36,764
<b>Total current assets</b>	173,932	198,349
<b>Total assets</b>	273,305	300,064
<b>Equity</b>		
Share capital	99,645	99,645
Reserves	72,705	71,506
<b>Total equity attributable to equity holders of the Company</b>	172,350	171,151
<b>Liabilities</b>		
Borrowings	1,625	1,842
Deferred tax liabilities	3,192	3,239
<b>Total non-current liabilities</b>	4,817	5,081
Payables and accruals	66,784	94,637
Borrowings	27,885	28,284
Taxation	1,469	911
<b>Total current liabilities</b>	96,138	123,832
<b>Total Liabilities</b>	100,955	128,913
<b>Total equity and liabilities</b>	273,305	300,064
<b>Net assets per share (RM)</b>	1.7296	1.7176

(The condensed consolidated balance sheet should be read in conjunction with the financial statements for the year ended 31 December 2009)

# KNUSFORD BERHAD (380100-D)

## Condensed consolidated statement of comprehensive income

For the financial period ended 31 March 2010

	Current 3 months ended 31 March		Cumulative 3 months ended 31 March	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Continuing operations</b>				
Revenue	74,358	25,828	74,358	25,828
Cost of sales	(68,528)	(23,103)	(68,528)	(23,103)
<b>Gross profit</b>	5,830	2,725	5,830	2,725
Other income	56	115	56	115
Administrative expenses	(3,118)	(2,149)	(3,118)	(2,149)
<b>Results from operating activities</b>	2,768	691	2,768	691
Interest income	90	127	90	127
Interest expense	(391)	(142)	(391)	(142)
<b>Profit before tax</b>	2,467	676	2,467	676
Taxation	(1,268)	(320)	(1,268)	(320)
<b>Profit after taxation / Total comprehensive income for the period</b>	<u>1,199</u>	<u>356</u>	<u>1,199</u>	<u>356</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	1,199	356	1,199	356
Minority interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>1,199</u>	<u>356</u>	<u>1,199</u>	<u>356</u>
<b>Earnings per share attributable to equity holders of the parent</b>				
EPS - Basic (sen)	<u>1.20</u>	<u>0.36</u>	<u>1.20</u>	<u>0.36</u>
EPS - Diluted (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The condensed consolidated income statement should be read in conjunction with the financial statements for the year ended 31 December 2009)

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

For the financial period ended 31 March 2010

	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			
<b>At 1 January 2010</b>	99,645	22,693	48,813	171,151	-	171,151
Total comprehensive income for the period	-	-	1,199	1,199	-	1,199
<b>At 31 March 2010</b>	<u>99,645</u>	<u>22,693</u>	<u>50,012</u>	<u>172,350</u>	<u>-</u>	<u>172,350</u>
<b>At 1 January 2009</b>	99,645	22,693	41,968	164,306	-	164,306
Total comprehensive income for the period	-	-	356	356	-	356
<b>At 31 March 2009</b>	<u>99,645</u>	<u>22,693</u>	<u>42,324</u>	<u>164,662</u>	<u>-</u>	<u>164,662</u>

(The condensed consolidated statements of changes in equity should be read in conjunction with the financial statements for the year ended 31 December 2009)

**KNUSFORD BERHAD (380100-D)**

**Condensed consolidated statement of cash flows**  
**For the financial period ended 31 March 2010**

	<b>31 March 2010 RM'000</b>	<b>31 March 2009 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	2,467	676
Adjustments for:		
Depreciation of property, plant and equipment	1,758	1,974
Depreciation of investment property	164	97
Gain on disposal of property, plant and equipment	(48)	(12)
Interest expenses	391	142
Interest income	(90)	(127)
Impairment losses on property, plant and equipment	1,000	0
Operating profit before changes in working capital	<u>5,642</u>	<u>2,750</u>
Changes in working capital:		
Properties under development	(266)	(404)
Inventories	36	271
Receivables, deposits and prepayments	23,717	(3,304)
Payables and accruals	<u>(27,787)</u>	<u>1,854</u>
Cash generated from operations	1,342	1,167
Income taxes paid	<u>(733)</u>	<u>(238)</u>
<b>Net cash generated from operating activities</b>	<u>609</u>	<u>929</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(520)	(39)
Acquisition of investment property	(2)	0
Interest received	90	127
Deposits pledged with licensed banks	(83)	(339)
Proceeds from disposal of property, plant and equipment	70	18
<b>Net cash used in investing activities</b>	<u>(445)</u>	<u>(233)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(391)	(142)
Proceeds from/(Repayment of) revolving credits	200	(300)
Repayment of finance lease liabilities	(871)	(685)
<b>Net cash used in financing activities</b>	<u>(1,062)</u>	<u>(1,127)</u>
<b>Net decrease in cash and cash equivalents</b>	(898)	(431)
<b>Cash and cash equivalents at beginning of period</b>	22,423	21,871
<b>Cash and cash equivalents at end of period</b>	<u>21,525</u>	<u>21,440</u>
Deposits with licensed banks (excluding deposits pledged)	16,040	16,926
Cash & bank balance	<u>5,485</u>	<u>4,514</u>
	<u>21,525</u>	<u>21,440</u>
Bank Overdraft	0	0
	<u>21,525</u>	<u>21,440</u>

**(The condensed consolidated cash flow statement should be read in conjunction with the financial statements for the year ended 31 December 2009)**

## **KNUSFORD BERHAD (380100-D)**

### **Notes to the interim financial report – 31 March 2010**

#### **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 2009. 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 2009 except for the following :-

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- FRS 4, Insurance Contracts
- FRS 7, Financial Instruments: Disclosures
- FRS 101, Presentation of Financial Statements (revised)
- FRS 123, Borrowing Costs (revised)
- FRS 139, Financial Instruments: Recognition and Measurement
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations
- Amendments to FRS 7, Financial Instruments: Disclosures
- Amendments to FRS 101, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 132, Financial Instruments: Presentation
  - Puttable Financial Instruments and Obligations Arising on Liquidation
  - Separation of Compound Instruments
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement
  - Reclassification of Financial Assets
  - Collective Assessment of Impairment for Banking Institutions
- Improvements to FRSs (2009)
- IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 10, Interim Financial Reporting and Impairment
- IC Interpretation 11, FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13, Customer Loyalty Programmes
- IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

The adoption of the new FRSs, Interpretations and amendments effective from 1 January 2010 has no material impacts to the Group consolidated financial statements of the current and prior periods financial statements upon its first adoption.

##### **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 period ended 31 March 2010.

#### 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 three months ended 31 March 2010.

#### A7 Dividends paid

No dividend was paid for the current quarter and three months ended 31 March 2010.

#### A8 Segmental information

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

	<b>3 months ended 31 March 2010 Revenue RM '000</b>	<b>3 months ended 31 March 2009 Revenue RM '000</b>	<b>3 months ended 31 March 2010 Profit before tax RM '000</b>	<b>3 months ended 31 March 2009 Profit before tax RM '000</b>
Trading and services	38,228	26,648	(624)	708
Property development	1,314	-	(140)	(61)
Construction	52,143	-	3,779	-
Investment Property	295	319	(38)	116
	<hr/>	<hr/>	<hr/>	<hr/>
	91,980	26,967	2,977	763
Inter-segment eliminations	(17,622)	(1,139)	(100)	
Unallocated income			90	127
Unallocated expenses			(500)	(214)
	<hr/>	<hr/>	<hr/>	<hr/>
	74,358	25,828	2,467	676
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#### 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 economic benefits will be required or the amount is not capable of reliable measurement.

	<b>As at 31 March 2010</b> <b>2009</b> <b>RM'000</b>
Guarantees and contingencies relating to borrowings of subsidiaries (unsecured)	10,000 =====

## 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:-

	<b>3 months ended</b> <b>31 March 2010</b> <b>RM'000</b>
<b>With companies in which certain Directors of the Company, have interests:</b>	
Aramijaya Sdn Bhd	2,614
Danga Bay Sdn Bhd	2,732
Ekovest Construction Sdn Bhd	1,241
Pembinaan Sahabatjaya Sdn Bhd	16,288

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

### **B1 Review of performance for the period**

The Group recorded a turnover of RM74.358 million and a profit before tax of RM2.467 million for the 3 months ended 31 March 2010 as compared to a turnover of RM25.828 million and a profit before tax of RM0.676 million for the preceding year corresponding period. The increase in turnover and profit before tax were mainly due to contributions from Construction division.

### **B2 Comparison with preceding quarter results**

For the quarter under review, the Group recorded a profit before taxation of RM2.467 million on a turnover of RM74.358 million as compared to a profit before taxation of RM4.730 million on a turnover of RM101.206 million for the preceding quarter. The decrease in the profit was due to lower contributions from the Construction and Trading & services division. The Group has also made a provision for impairment losses on property, plant and equipment of RM1 million in Trading & services division for the current quarter under review.

### **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.

### **B4 Variance of actual profit from forecast profit / profit guarantee**

Not applicable.

### **B5 Taxation**

	<b>Current quarter ended 31 March 2010 RM '000</b>	<b>3 months ended 31 March 2010 RM '000</b>
Current provision	1,268	1,268
Over provision in respect of prior years	-	-
Under provision in respect of prior years	-	-
	<u>1,268</u>	<u>1,268</u>

The Group's effective tax rate for the current quarter ended 31 March 2010 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 period ended 31 March 2010.

### **B7 Quoted securities**

There were no purchase or disposal of quoted securities for the current quarter and period ended 31 March 2010.

### **B8 Corporate proposals**

There were no corporate proposals announced or pending completion as at the date of this report.



**B9 Group borrowings**

**At  
31 March 2010  
RM '000**

Current:

Revolving credits - unsecured  
Finance lease liabilities

25,350

2,535

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 27,885
 

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Non-current:

Finance lease liabilities

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 1,625
 

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**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risks.

**B11 Changes in material litigations.**

Neither the Company nor its subsidiaries is engaged in any material litigation claims or arbitration, either as a plaintiff or defendant, and the Directors are not aware of any proceedings, pending or threatened against the Company and its subsidiaries or any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company and its subsidiaries.

**B12 Dividends declared**

The Directors do not recommend any dividend payment for the financial year ended 31 December 2009. No interim dividend has been declared for the quarter and period ended 31 March 2010.

**B13 Earnings per share**

	<b>Current quarter ended 31 March 2010  RM '000</b>	<b>Preceding year corresponding quarter ended 31 March 2009  RM '000</b>	<b>Cumulative 3 months ended 31 March 2010  RM '000</b>	<b>Cumulative 3 months ended 31 March 2009  RM '000</b>
Earnings	1,199	356	1,199	356
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)	1.20	0.36	1.20	0.36
Diluted earning per ordinary shares (sen)	N/A	N/A	N/A	N/A