

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

As At 31 December 2011

	At 31 December 2011 RM'000	At 31 December 2010 RM'000
<b>Assets</b>		
Property, plant and equipment	16,424	19,060
Investment properties	42,169	40,328
Land held for property development	26,777	26,777
Investment in associate	40	40
Deferred tax assets	846	2,593
<b>Total non-current assets</b>	86,256	88,798
Property development costs	10,768	14,318
Receivables, deposits and prepayments	110,983	173,827
Inventories	2,273	3,550
Tax recoverable	10	399
Cash and cash equivalents	105,147	34,592
<b>Total current assets</b>	229,181	226,686
<b>Total assets</b>	315,437	315,484
<b>Equity</b>		
Share capital	99,645	99,645
Share premium	22,693	22,693
Retained earnings	125,055	65,965
<b>Total equity attributable to equity holders of the Company</b>	247,393	188,303
<b>Liabilities</b>		
Borrowings	549	758
Deferred tax liabilities	2,532	5,055
<b>Total non-current liabilities</b>	3,081	5,813
Payables and accruals	52,567	97,935
Borrowings	779	20,304
Taxation	11,617	3,129
<b>Total current liabilities</b>	64,963	121,368
<b>Total Liabilities</b>	68,044	127,181
<b>Total equity and liabilities</b>	315,437	315,484
<b>Net assets per share (RM)</b>	2.4827	1.8897

**(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)**

## KNUSFORD BERHAD (380100-D)

### Condensed consolidated statement of comprehensive income

For the financial year ended 31 December 2011

	Current 3 months ended 31 December		Cumulative 12 months ended 31 December	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Continuing operations</b>				
Revenue	89,760	95,665	301,011	310,222
Cost of sales	(45,937)	(82,117)	(190,963)	(278,075)
<b>Gross profit</b>	43,823	13,548	110,048	32,147
Other income	114	1,224	983	2,768
Administrative expenses	(22,571)	(1,566)	(27,741)	(10,471)
<b>Results from operating activities</b>	21,366	13,206	83,290	24,444
Interest income	849	163	1,564	534
Interest expense	(23)	(325)	(314)	(1,372)
<b>Profit before tax</b>	22,192	13,044	84,540	23,606
Taxation	(9,345)	(2,732)	(25,450)	(6,454)
<b>Profit after taxation / Total comprehensive income for the period</b>	<u>12,847</u>	<u>10,312</u>	<u>59,090</u>	<u>17,152</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	12,847	10,312	59,090	17,152
Minority interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>12,847</u>	<u>10,312</u>	<u>59,090</u>	<u>17,152</u>
<b>Earnings per share attributable to equity holders of the parent</b>				
EPS - Basic (sen)	<u>12.89</u>	<u>10.35</u>	<u>59.30</u>	<u>17.21</u>
EPS - Diluted (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

**KNUSFORD BERHAD (380100-D)****Condensed consolidated statement of changes in equity  
For the financial year ended 31 December 2011**

	Attributable to the Equity Holders of the Parent				Minority interest RM'000	Total Equity RM'000
	Non-distributable Share capital RM'000	Share premium RM'000	Distributable Retained profits RM'000	Total RM'000		
<b>At 1 January 2011</b>	99,645	22,693	65,965	188,303	-	188,303
Total comprehensive income for the period	-	-	59,090	59,090	-	59,090
<b>At 31 December 2011</b>	<u>99,645</u>	<u>22,693</u>	<u>125,055</u>	<u>247,393</u>	<u>-</u>	<u>247,393</u>
<b>At 1 January 2010</b>	99,645	22,693	48,813	171,151	-	171,151
Total comprehensive income for the period	-	-	17,152	17,152	-	17,152
<b>At 31 December 2010</b>	<u>99,645</u>	<u>22,693</u>	<u>65,965</u>	<u>188,303</u>	<u>-</u>	<u>188,303</u>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

**KNUSFORD BERHAD (380100-D)**

**Condensed consolidated statement of cash flows**

For the financial year ended 31 December 2011

	31 December 2011 RM'000	31 December 2010 RM'000
<b><i>Cash flows from operating activities</i></b>		
Profit before tax	84,540	23,606
Adjustments for:		
Depreciation of property, plant and equipment	5,076	6,726
Depreciation of investment property	649	648
Impairment loss on property, plant and equipment	0	767
Gain on disposal of property, plant and equipment	-454	-1,848
Gain on disposal of subsidiary	0	-271
Interest expense	314	1,372
Interest income	-1,564	-534
Operating profit before changes in working capital	<u>88,561</u>	<u>30,466</u>
Changes in working capital:		
Properties under development	3,550	-823
Inventories	1,277	753
Receivables, deposits and prepayments	62,713	-37,277
Payables and accruals	-45,235	7,760
Cash generated from operations	<u>110,866</u>	<u>879</u>
Income taxes paid	-17,348	-3,673
<b>Net cash generated from/(used in) operating activities</b>	<u><u>93,518</u></u>	<u><u>-2,794</u></u>
<b><i>Cash flows from investing activities</i></b>		
Acquisition of property, plant and equipment	-1,969	-1,058
Acquisition of investment property	-2,506	-85
Investment in associate	0	-40
Interest received	1,564	534
Deposits pledged with licensed banks	-403	-40
Proceeds from disposal of property, plant and equipment	659	4,111
Proceeds from disposal of investment property	0	301
Net cash flow from disposal of subsidiary	0	4,530
<b>Net cash (used in)/generated from investing activities</b>	<u><u>-2,655</u></u>	<u><u>8,253</u></u>
<b><i>Cash flows from financing activities</i></b>		
Interest paid	-314	-1,372
(Repayment of)/proceeds from borrowings	-18,150	-4,252
Repayment of finance lease liabilities	-1,185	-3,108
<b>Net cash used in financing activities</b>	<u><u>-19,649</u></u>	<u><u>-8,732</u></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	71,214	-3,273
<b>Cash and cash equivalents at beginning of period</b>	19,149	22,422
<b>Cash and cash equivalents at end of period</b>	<u><u>90,363</u></u>	<u><u>19,149</u></u>
Cash & bank balance	18,263	6,565
Deposits with licensed banks (excluding deposits pledged)	72,125	13,671
Bank Overdraft	-25	-1,087
	<u><u>90,363</u></u>	<u><u>19,149</u></u>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

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

### **Notes to the interim financial report – 31 December 2011**

#### **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 2010. 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 2010 except for the following :-

##### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011***

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
  - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*
- Improvements to FRSs (2010)

##### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011***

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

##### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012***

- FRS 124, *Related Party Disclosures* (revised)
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

The adoption of the new FRSs, Interpretations and amendments effective from 1 January 2011 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 was 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 2011.

##### **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 2011.

## A7 Dividends paid

No dividend was paid for the current quarter and twelve months ended 31 December 2011.

## 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>12 months ended 31 December 2011</b>	<b>12 months ended 31 December 2010</b>	<b>12 months ended 31 December 2011</b>	<b>12 months ended 31 December 2010</b>
	<b>Revenue RM '000</b>	<b>Revenue RM '000</b>	<b>Profit before tax RM '000</b>	<b>Profit before tax RM '000</b>
Trading and services	125,720	145,995	13,486	6,243
Property development	14,846	11,498	3,571	1,380
Construction	202,033	214,255	68,281	17,359
Investment Property	897	1,287	(105)	337
	<hr/>	<hr/>	<hr/>	<hr/>
	343,496	373,035	85,233	25,319
Inter-segment eliminations	(42,485)	(62,813)	(146)	(501)
Unallocated income	-	-	1,564	534
Unallocated expenses	-	-	(2,111)	(1,746)
	<hr/>	<hr/>	<hr/>	<hr/>
	301,011	310,222	84,540	23,606
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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 were no changes in the composition of the Group for the quarter and period 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.

Guarantees and contingencies relating to  
Borrowings of subsidiaries (unsecured)

**As at 31 December 2011**  
**RM'000**

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### **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>12 months ended 31 December 2011 RM'000</b>
<b>With companies in which certain Directors of the Company, have interests:</b>	
Aramijaya Sdn Bhd	5,586
Danga Bay Sdn Bhd	3,651
Ekovest Construction Sdn Bhd	5,909
Pembinaan KS Tebrau Sdn Bhd	2,404
Rampai Fokus Sdn Bhd	10,075



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

### **B1 Detailed analysis of the performance of all operating segment of the Group**

#### **Current Year To Date vs Previous Year To Date**

The Group recorded a turnover of RM301.011 million and profit before tax of RM84.540 million for the current year ended 31 December 2011 as compared to turnover of RM310.222 million and profit before tax of RM23.606 million for the preceding year to date.

Performance of the respective operating business segments for the current year to date as compared to the preceding year to date is analysed as follows :-

#### Trading and services

Despite a decrease in the turnover, the profit before tax was higher due to increase in supply of certain products with a better profit margin. The preceding year results inclusive of turnover and loss before tax of RM7.581 million and RM0.271 million from a wholly owned subsidiary which was disposed of on 24 August 2010.

#### Property development

The increase in the profit before tax of RM2.191 million was mainly due to higher sales.

#### Construction

The increase in the profit before tax was mainly due to realisation of additional profit upon finalisation of certain construction contracts.

#### Investment property

The decrease in profit before tax was due to termination of tenancy for certain units of Group's investment properties.

#### **Current Quarter vs Previous Year Corresponding Quarter**

The Group recorded a turnover of RM89.760 million and profit before tax of RM22.192 million for the current quarter ended 31 December 2011 as compared to turnover of RM95.665 million and profit before tax of RM13.044 million for the preceding year corresponding quarter.

Performance of the respective operating business segments for the current quarter as compared to the previous year corresponding quarter is analysed as follows :-

#### Trading and services

The profit before tax was lower due to decrease in the sales for the current period.

#### Property development

The decrease in the profit before tax was mainly due to lower sales for the current period.

#### Construction

The increase in the profit before tax was mainly due to realisation of additional profit upon finalisation of certain construction contracts.

#### Investment property

The decrease in the profit before tax was due to termination of tenancy for certain units of Group's investment properties.

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

For the quarter under review, the Group recorded a profit before taxation of RM22.192 million on a turnover of RM89.760 million as compared to a profit before taxation of RM33.726 million on a turnover of RM85.135 million for the preceding quarter. The decrease in the profit was mainly due to general provision for doubtful debt of RM19.760 million on receivables and amount due by customer.

**B3 Prospects**

The outlook for the construction and development industry remains competitive and challenging. Nevertheless, the Board will continue to look into other development plans and continue to tender for new potential projects especially from the Government sector in order to maintain satisfactory results in the following financial year.

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

Not applicable.

**B5 Taxation**

	<b>Current quarter ended 31 December 2011 RM '000</b>	<b>12 months ended 31 December 2011 RM '000</b>
Current provision	10,009	26,527
Overprovision in prior year	-	(302)
Deferred tax	(664)	(775)
	9,345	25,450

The Group's effective tax rate for the current quarter and year ended 31 December 2011 is higher than the prima facie tax rate mainly due to the losses incurred by certain subsidiaries and disallowable expenses.

**B6 Corporate proposals**

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

**B7 Group borrowings**

	<b>As at 31 December 2011 RM '000</b>
Current:	
Bank overdraft	24
Finance lease liabilities	755
	779
Non-current:	
Finance lease liabilities	549

**B8 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.

**B9 Dividends declared**

The Directors have proposed, subject to the shareholders approval in the forthcoming annual general meeting to be convened, a first and final dividend as follows :-

First and final dividend of 3.6 sen per ordinary shares less 25% income tax	RM 2,690,415.00
and single tier dividend of 1.4 sen per ordinary shares	1,395,030.10
	4,085,445.10

**B10 Earnings per share**

	Current quarter ended 31 December 2011	Preceding year corresponding quarter ended 31 December 2010	Cumulative 12 months ended 31 December 2011	Cumulative 12 months ended 31 December 2010
	RM '000	RM '000	RM '000	RM '000
Earnings	12,847	10,312	59,090	17,152
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)	12.89	10.35	59.30	17.21
Diluted earning per ordinary shares (sen)	N/A	N/A	N/A	N/A

**B11 Notes to the statement of comprehensive income**

	Current quarter ended 31 December 2011 RM'000	12 months ended 31 December 2011 RM'000
Profit before tax is arrived at after (crediting)/charging :		
Interest income	(849)	(1,564)
Other income	(114)	(983)
Interest expense	23	314
Depreciation	1,454	5,725
Provision for doubtful debt on receivables	2,448	2,448
Provision for doubtful debt on amount due by customer	17,312	17,312

**B12 Realised and Unrealised Profits/Losses**

The retained earnings are analysed as follows :-

	As at 31 December 2011 RM'000	As at 31 December 2010 RM'000
Realised gain	177,846	120,211
Unrealised loss	(1,389)	(3,256)
	176,457	116,955
Less: Consolidated adjustments	(51,402)	(50,990)
Total Group retained earnings as per consolidated accounts	125,055	65,965

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