

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

As At 31 March 2012

	<b>At 31 March 2012 RM'000</b>	<b>At 31 December 2011 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	27,379	17,758
Investment properties	41,993	42,169
Investment in associate	2,000	2,000
Land held for property development	26,777	26,777
Deferred tax assets	912	912
<b>Total non-current assets</b>	<b>99,061</b>	<b>89,616</b>
Property development costs	9,357	10,650
Trade and other receivables	109,730	110,659
Inventories	2,273	2,273
Tax recoverable	21	10
Cash and cash equivalents	90,082	105,142
<b>Total current assets</b>	<b>211,463</b>	<b>228,734</b>
<b>Total assets</b>	<b>310,524</b>	<b>318,350</b>
<b>Equity</b>		
Share capital	99,645	99,645
Share premium	22,693	22,693
Retained earnings	132,715	125,998
<b>Total equity attributable to equity holders of the Company</b>	<b>255,053</b>	<b>248,336</b>
<b>Liabilities</b>		
Borrowings	1,183	549
Deferred tax liabilities	2,251	2,288
<b>Total non-current liabilities</b>	<b>3,434</b>	<b>2,837</b>
Payables and accruals	46,245	54,581
Borrowings	704	779
Taxation	5,088	11,817
<b>Total current liabilities</b>	<b>52,037</b>	<b>67,177</b>
<b>Total Liabilities</b>	<b>55,471</b>	<b>70,014</b>
<b>Total equity and liabilities</b>	<b>310,524</b>	<b>318,350</b>
<b>Net assets per share (RM)</b>	<b>2.5596</b>	<b>2.4922</b>

**(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)**

# KNUSFORD BERHAD (380100-D)

## Condensed consolidated statement of comprehensive income For the financial period ended 31 March 2012

	Current 3 months ended 31 March		Cumulative 3 months ended 31 March	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Continuing operations</b>				
Revenue	20,256	58,210	20,256	58,210
Cost of sales	(15,239)	(47,470)	(15,239)	(47,470)
<b>Gross profit</b>	5,017	10,740	5,017	10,740
Other income	4,908	264	4,908	264
Administrative expenses	(2,335)	(1,565)	(2,335)	(1,565)
<b>Results from operating activities</b>	7,590	9,439	7,590	9,439
Interest income	368	138	368	138
Interest expense	(42)	(172)	(42)	(172)
<b>Profit before tax</b>	7,916	9,405	7,916	9,405
Taxation	(1,199)	(2,480)	(1,199)	(2,480)
<b>Profit after taxation / Total comprehensive income for the period</b>	<u>6,717</u>	<u>6,925</u>	<u>6,717</u>	<u>6,925</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	6,717	6,925	6,717	6,925
Minority interest	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>6,717</u>	<u>6,925</u>	<u>6,717</u>	<u>6,925</u>
<b>Earnings per share attributable to equity holders of the parent</b>				
EPS - Basic (sen)	<u>6.74</u>	<u>6.95</u>	<u>6.74</u>	<u>6.95</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 comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 period ended 31 March 2012**

	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 2012</b>	99,645	22,693	125,998	248,336	-	248,336
Total comprehensive income for the period	-	-	6,717	6,717	-	6,717
<b>At 31 March 2012</b>	<u>99,645</u>	<u>22,693</u>	<u>132,715</u>	<u>255,053</u>	<u>-</u>	<u>255,053</u>
<b>At 1 January 2011</b>	99,645	22,693	65,965	188,303	-	188,303
Total comprehensive income for the period	-	-	6,925	6,925	-	6,925
<b>At 31 March 2011</b>	<u>99,645</u>	<u>22,693</u>	<u>72,890</u>	<u>195,228</u>	<u>-</u>	<u>195,228</u>

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)



**KNUSFORD BERHAD (380100-D)**

**Condensed consolidated statement of cash flows**

For the financial period ended 31 March 2012

	<b>31 March 2012 RM'000</b>	<b>31 March 2011 RM'000</b>
<b><i>Cash flows from operating activities</i></b>		
Profit before tax	7,916	9,405
Adjustments for:		
Depreciation of property, plant and equipment	1,297	1,256
Depreciation of investment property	162	162
Gain on disposal of plant and equipment	-4,817	-191
Interest expense	42	172
Interest income	-368	-138
Operating profit before changes in working capital	<u>4,232</u>	<u>10,666</u>
Changes in working capital:		
Properties under development	1,293	546
Inventories	0	556
Receivables, deposits and prepayments	929	37,006
Payables and accruals	-8,336	-10,872
Cash generated from operations	<u>-1,882</u>	<u>37,902</u>
Income taxes paid	-7,977	-1,536
<b>Net cash (used in)/generated from operating activities</b>	<u><u>-9,859</u></u>	<u><u>36,366</u></u>
<b><i>Cash flows from investing activities</i></b>		
Acquisition of property, plant and equipment	-12,969	-45
Investment in associate	0	-1,960
Interest received	368	138
Deposits released/(pledged) from/(to) licensed banks	7,712	-80
Proceeds from disposal of plant and equipment	7,739	191
<b>Net cash generated from/(used in) investing activities</b>	<u><u>2,850</u></u>	<u><u>-1,756</u></u>
<b><i>Cash flows from financing activities</i></b>		
Interest paid	-42	-172
Repayment of borrowings	0	-18,150
Repayment of finance lease liabilities	-299	-262
<b>Net cash used in financing activities</b>	<u><u>-341</u></u>	<u><u>-18,584</u></u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	-7,350	16,026
<b>Cash and cash equivalents at beginning of period</b>	90,363	19,149
<b>Cash and cash equivalents at end of period</b>	<u><u>83,013</u></u>	<u><u>35,175</u></u>
Cash & bank balance	11,878	9,043
Deposits with licensed banks (excluding deposits pledged)	71,161	26,147
Bank Overdraft	-26	-15
	<u><u>83,013</u></u>	<u><u>35,175</u></u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

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

### **Notes to the interim financial report – 31 March 2012**

#### **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 2011. 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 2011 except for the following :-

##### ***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)*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

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

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

##### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013***

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits (2011)*
- FRS 127, *Separate Financial Statements (2011)*
- FRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

##### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014***

- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

##### ***FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015***

- FRS 9, *Financial Instruments (2009)*
- FRS 9, *Financial Instruments (2010)*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures*

The adoption of the new FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011 and 1 January 2012 has no material impacts to the Group's consolidated financial statements of the current and prior periods financial statements upon its first adoption.

The Group's consolidated financial statements for annual period beginning on 1 January 2013 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group will not be adopting FRSs, Interpretations and amendments that are effective for annual periods beginning on or after 1 July 2012.

## 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 period ended 31 March 2012.

## 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 2012.

## A7 Dividends paid

No dividend was paid for the current quarter and three months ended 31 March 2012.

## 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 2012 Revenue RM '000</b>	<b>3 months ended 31 March 2011 Revenue RM '000</b>	<b>3 months ended 31 March 2012 Profit before tax RM '000</b>	<b>3 months ended 31 March 2011 Profit before tax RM '000</b>
Trading and services	14,793	30,269	3,716	1,394
Property development	1,930	4,444	29	1,108
Construction	5,975	33,786	4,159	7,097
Investment Property	193	259	(56)	(64)
	<hr/>	<hr/>	<hr/>	<hr/>
	22,891	68,758	7,848	9,535
Inter-segment eliminations	(2,635)	(10,548)	(116)	(12)
Unallocated income	-	-	368	138
Unallocated expenses	-	-	(184)	(256)
	<hr/>	<hr/>	<hr/>	<hr/>
	20,256	58,210	7,916	9,405
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 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, except for the following:

On 24 February 2012, the Company has acquired 2 ordinary shares of RM1.00 each in Lakaran Cahaya Sdn Bhd ("LCSB") for a cash consideration of RM2.00 representing 100% of the issued and paid-up share capital of RM2.00.

### 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 2012</b>
	<b>RM'000</b>
Guarantees and contingencies relating to Borrowings of subsidiaries (unsecured)	- =====

### 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 2012</b>
	<b>RM'000</b>
<b>With companies in which certain Directors of the Company, have interests:</b>	
Aramijaya Sdn Bhd	1,045
Danga Bay Sdn Bhd	610
Ekovest Construction Sdn Bhd	531
Pembinaan KS Tebrau Sdn Bhd	638
Rampai Fokus Sdn Bhd	3,274

## **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 Preceding Year Corresponding period**

The Group recorded a turnover of RM20.256 million and profit before tax of RM7.916 million for the 3 months ended 31 March 2012 as compared to turnover of RM58.210 million and profit before tax of RM9.405 million for the preceding year corresponding period.

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

#### Trading and services

Despite a decrease in the turnover, the profit before tax was higher due to the gain on disposal of certain plant and equipment with low book carrying value.

#### Property development

The decrease in the revenue and profit before tax was mainly due to lesser development works done during the period.

#### Construction

Despite a decrease in the revenue and profit before tax, this division recorded a better profit margin due to works done on certain contracts with higher profit margin.

#### Investment property

The decrease in revenue 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 RM7.916 million on a turnover of RM20.256 million as compared to a profit before taxation of RM22.192 million on a turnover of RM89.760 million for the preceding quarter. The decrease in the profit before tax was mainly due to decrease in the revenue recorded.

### **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.

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

Not applicable.

### **B5 Taxation**

	<b>Current quarter ended 31 March 2012 RM '000</b>	<b>3 months ended 31 March 2012 RM '000</b>
Current provision	1,237	1,237
Overprovision in prior year	-	-
Deferred tax	(38)	(38)
	1,199	1,199

The Group's effective tax rate for the current quarter ended 31 March 2012 is lower than the prima facie tax rate mainly due to gain on disposal of plant and equipment which are not taxable.

### **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 March 2012 RM '000</b>
Current:	
Bank overdraft	26
Finance lease liabilities	678
	<hr/> 704 <hr/>
Non-current:	
Finance lease liabilities	<hr/> 1,183 <hr/>

**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**

No interim dividend has been declared for the current quarter ended 31 March 2012.

**B10 Earnings per share**

	<b>Current quarter ended 31 March 2012 RM '000</b>	<b>Preceding year corresponding quarter ended 31 March 2011 RM '000</b>	<b>Cumulative 3 months ended 31 March 2012 RM '000</b>	<b>Cumulative months ended 31 March 2011 RM '000</b>
Earnings	6,717	6,925	6,717	6,925
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)	6.74	6.95	6.74	6.95
Diluted earning per ordinary shares (sen)	N/A	N/A	N/A	N/A

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

	<b>Current quarter ended 31 March 2012 RM'000</b>	<b>3 months ended 31 March 2012 RM'000</b>
Profit before tax is arrived at after (crediting)/charging :		
Interest income	(368)	(368)
Other income	(4,908)	(4,908)
Interest expense	42	42
Depreciation	1,459	1,459

**B12 Realised and Unrealised Profits/Losses**

The retained earnings are analysed as follows :-

	<b>As at 31 March 2012 RM'000</b>	<b>As at 31 December 2011 RM'000</b>
Realised gain	184,339	177,700
Unrealised loss	(149)	(300)
	<hr/> 184,190	<hr/> 177,400
Less: Consolidated adjustments	(51,475)	(51,402)
Total Group retained earnings as per consolidated accounts	<hr/> <b>132,715</b>	<hr/> <b>125,998</b>

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.