

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

As At 31 December 2017

| | At 31 December 2017 RM'000 | At 31 December 2016 (audited) RM'000 |
|---|-------------------------------------|--|
| Assets | | |
| Property, plant and equipment | 19,380 | 19,337 |
| Land held for future development | 2,128 | 2,128 |
| Investment properties | 96,304 | 97,589 |
| Investment in joint venture | 12,250 | 7,191 |
| Deferred tax assets | 4,398 | 2,808 |
| Total non-current assets | 134,460 | 129,053 |
| | | |
| Inventories | 63,645 | 60,121 |
| Assets held for sale | 1,309 | 2,223 |
| Trade and other receivables | 127,384 | 153,887 |
| Tax recoverable | 5,427 | 6,457 |
| Cash and cash equivalents | 38,151 | 15,060 |
| Total current assets | 235,916 | 237,748 |
| Total assets | 370,376 | 366,801 |
| | | |
| Equity | | |
| Share capital | 122,338 | 99,645 |
| Share premium | - | 22,693 |
| Translation reserve | 6 | - |
| Retained earnings | 138,773 | 150,166 |
| Total equity attributable to equity holders of the Company | 261,117 | 272,504 |
| | | |
| Liabilities | | |
| Loans and borrowings | 1,987 | 1,407 |
| Deferred tax liabilities | 1,274 | 1,298 |
| Total non-current liabilities | 3,261 | 2,705 |
| | | |
| Trade and other payables | 87,484 | 84,006 |
| Loans and borrowings | 17,910 | 7,261 |
| Current tax payable | 604 | 325 |
| Total current liabilities | 105,998 | 91,592 |
| Total Liabilities | 109,259 | 94,297 |
| Total equity and liabilities | 370,376 | 366,801 |
| | | |
| Net assets per share (RM) | 2.6205 | 2.7347 |

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

KNUSFORD BERHAD (380100-D)

Condensed consolidated statement of profit or loss and other comprehensive income For the financial year ended 31 December 2017

| | Current 3 months ended 31 December | | Cumulative 12 months ended 31 December | |
|--|--|----------------|--|-----------------|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Continuing operations | | | | |
| Revenue | 34,609 | 34,765 | 140,851 | 129,833 |
| Cost of sales | (35,730) | (33,446) | (134,698) | (125,670) |
| Gross (loss)/profit | (1,121) | 1,319 | 6,153 | 4,163 |
| Other income | 1,698 | 3,475 | 2,551 | 4,355 |
| Administrative and other operating expenses | (4,464) | (13,561) | (19,974) | (26,487) |
| Results from operating activities | (3,887) | (8,767) | (11,270) | (17,969) |
| Interest income | 164 | 127 | 817 | 853 |
| Interest expense | (293) | (95) | (1,136) | (766) |
| | (4,016) | (8,735) | (11,589) | (17,882) |
| Share of profit of equity-accounted investments, net of tax | 1,374 | 679 | 2,251 | 947 |
| Loss before tax | (2,642) | (8,056) | (9,338) | (16,935) |
| Taxation | (142) | 668 | (2,055) | 798 |
| Loss after tax | (2,784) | (7,388) | (11,393) | (16,137) |
| Other comprehensive income, net of tax | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation | 6 | - | 6 | - |
| Total other comprehensive income for the year | 6 | - | 6 | - |
| Total comprehensive loss for the year | <u>(2,778)</u> | <u>(7,388)</u> | <u>(11,387)</u> | <u>(16,137)</u> |
| Total comprehensive loss attributable to: | | | | |
| Owners of the Company | (2,778) | (7,388) | (11,387) | (16,137) |
| Minority interest | - | - | - | - |
| Total comprehensive loss for the year | <u>(2,778)</u> | <u>(7,388)</u> | <u>(11,387)</u> | <u>(16,137)</u> |
| Loss per share attributable to equity holders of the parent | | | | |
| EPS - Basic (sen) | <u>(2.79)</u> | <u>(7.41)</u> | <u>(11.43)</u> | <u>(16.19)</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 profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017**

| | Attributable to the Equity Holders of the Parent | | | | Total | Minority interest | Total Equity |
|---|--|----------------------------|----------------------------------|--|----------------|----------------------|-----------------|
| | Non-distributable Share capital RM'000 | Share premium RM'000 | Translation Reserve RM'000 | Distributable Retained profits RM'000 | | | |
| At 1 January 2017 | 99,645 | 22,693 | - | 150,166 | 272,504 | - | 272,504 |
| Transfer in accordance with Section 618(2) of the Companies Act 2016 | 22,693 | (22,693) | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | 6 | (11,393) | (11,387) | - | (11,387) |
| At 31 December 2017 | <u>122,338</u> (Note 1) | <u>-</u> | <u>6</u> | <u>138,773</u> | <u>261,117</u> | <u>-</u> | <u>261,117</u> |
| At 1 January 2016 | 99,645 | 22,693 | - | 168,296 | 290,634 | - | 290,634 |
| Total comprehensive loss for the year | - | - | - | (16,137) | (16,137) | - | (16,137) |
| Dividend | - | - | - | (1,993) | (1,993) | - | (1,993) |
| At 31 December 2016 | <u>99,645</u> | <u>22,693</u> | <u>-</u> | <u>150,166</u> | <u>272,504</u> | <u>-</u> | <u>272,504</u> |

Note 1: In accordance with Section 618 of Companies Act, 2016, any amount standing to the credit of the share premium account has become part of the Company's share capital. The Company has twenty-four months upon the commencement of Companies Act, 2016 on 31 January 2017 to utilise the credit.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

| | 31 December 2017 RM'000 | 31 December 2016 RM'000 |
|---|-------------------------------|-------------------------------|
| Cash flows from operating activities | | |
| Loss before tax | (9,338) | (16,935) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 2,852 | 3,151 |
| Depreciation of investment property | 1,288 | 1,299 |
| Property, plant and equipment written off | - | 6 |
| Gain on disposal Asset held for sales | (586) | - |
| Gain on disposal of plant and equipment | (338) | (93) |
| Share of profit of equity-accounted investments, net of tax | (2,251) | (947) |
| Interest expense | 1,136 | 766 |
| Interest income | (817) | (853) |
| Operating loss before changes in working capital | <u>(8,054)</u> | <u>(13,606)</u> |
| Changes in working capital: | | |
| Inventories | (3,524) | (28,384) |
| Receivables, deposits and prepayments | 26,503 | (3,915) |
| Payables and accruals | 3,478 | 12,915 |
| Cash generated from/(used in) operations | <u>18,403</u> | <u>(32,990)</u> |
| Income taxes paid | <u>(2,360)</u> | <u>(3,078)</u> |
| Net cash generated from/(used in) operating activities | <u>16,043</u> | <u>(36,068)</u> |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (908) | (1,159) |
| Acquisition of investment property | (3) | (252) |
| Investment in joint venture company | (2,808) | (3,825) |
| Interest received | 817 | 853 |
| Proceeds from disposal of plant and equipment | 338 | 203 |
| Proceeds from disposal of investment properties | 1,500 | 167 |
| Net cash used in from investing activities | <u>(1,064)</u> | <u>(4,013)</u> |
| Cash flows from financing activities | | |
| Dividend paid | - | (1,993) |
| Interest paid | (1,136) | (766) |
| Proceed from borrowings | 10,800 | 6,000 |
| Repayment of finance lease liabilities | (1,558) | (1,384) |
| Net cash generated from financing activities | <u>8,106</u> | <u>1,857</u> |
| Net increase/(decrease) in cash and cash equivalents | 23,085 | (38,224) |
| Exchange differences on translation of the financial statement of foreign subsidiaries | 6 | - |
| Cash and cash equivalents at beginning of year | 15,060 | 53,284 |
| Cash and cash equivalents at end of year | <u>38,151</u> | <u>15,060</u> |
| Cash & bank balance | 17,047 | 5,641 |
| Deposits with licensed banks (excluding deposits pledged) | 21,104 | 9,419 |
| | <u>38,151</u> | <u>15,060</u> |

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)