

# KNUSFORD BERHAD (380100-D)

## Condensed consolidated statement of financial position

As At 30 June 2018

|   | At<br>30 June<br>2018<br>RM'000 | At<br>31 December<br>2017<br>RM'000<br>(Restated) |
|---|---------------------------------|---|
| <b>Assets</b>   |                                 |   |
| Property, plant and equipment                             | 18,814                          | 19,380  |
| Land held for future development                          | 2,128                           | 2,128   |
| Investment properties                                     | 95,713                          | 96,304  |
| Investment in associate                                   | 1,870                           | 1,875   |
| Investment in joint venture                               | 11,490                          | 10,375  |
| Deferred tax assets                                       | 5,819                           | 5,356   |
| <b>Total non-current assets</b>                           | <b>135,834</b>                  | <b>135,418</b>                                    |
| Inventories   | 40,191                          | 42,263  |
| Assets held for sale                                      | -                               | 1,309   |
| Trade and other receivables                               | 112,543                         | 135,565   |
| Tax recoverable   | 5,339                           | 5,427   |
| Cash and cash equivalents                                 | 34,086                          | 38,151  |
| <b>Total current assets</b>                               | <b>192,159</b>                  | <b>222,715</b>                                    |
| <b>Total assets</b>                                       | <b>327,993</b>                  | <b>358,133</b>                                    |
| <b>Equity</b>   |                                 |   |
| Share capital   | 122,338                         | 122,338   |
| Translation reserve                                       | -                               | 6   |
| Retained earnings   | 116,022                         | 135,182   |
| <b>Total equity attributable to owners of the Company</b> | <b>238,360</b>                  | <b>257,526</b>                                    |
| <b>Liabilities</b>  |                                 |   |
| Loans and borrowings                                      | 1,963                           | 1,987   |
| Deferred tax liabilities                                  | 312                             | 790   |
| <b>Total non-current liabilities</b>                      | <b>2,275</b>                    | <b>2,777</b>                                      |
| Trade and other payables                                  | 82,132                          | 79,157  |
| Loans and borrowings                                      | 4,609                           | 17,910  |
| Current tax payable                                       | 617                             | 763   |
| <b>Total current liabilities</b>                          | <b>87,358</b>                   | <b>97,830</b>                                     |
| <b>Total Liabilities</b>                                  | <b>89,633</b>                   | <b>100,607</b>                                    |
| <b>Total equity and liabilities</b>                       | <b>327,993</b>                  | <b>358,133</b>                                    |
| <b>Net assets per share (RM)</b>                          | <b>2.3921</b>                   | <b>2.5844</b>                                     |

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 period ended 30 June 2018

|  | Current<br>3 months ended<br>30 June |                              | Cumulative<br>6 months ended<br>30 June |                              |
|--|--------------------------------------|------------------------------|---|------------------------------|
|  | 2018<br>RM'000                       | 2017<br>RM'000<br>(Restated) | 2018<br>RM'000                          | 2017<br>RM'000<br>(Restated) |
| <b>Continuing operations</b>   |                                      |                              |   |                              |
| Revenue  | 25,911                               | 41,968                       | 53,182                                  | 80,019                       |
| Cost of sales  | (38,127)                             | (41,857)                     | (65,277)                                | (76,122)                     |
| <b>Gross profit/(loss)</b>   | (12,216)                             | 111                          | (12,095)                                | 3,897                        |
| Other income   | 409                                  | 387                          | 664                                     | 638                          |
| Administrative and other operating expenses                              | (4,640)                              | (4,215)                      | (9,616)                                 | (10,324)                     |
| <b>Results from operating activities</b>                                 | (16,447)                             | (3,717)                      | (21,047)                                | (5,789)                      |
| Interest income  | 289                                  | 177                          | 453                                     | 254                          |
| Interest expense   | (138)                                | (247)                        | (439)                                   | (486)                        |
|  | (16,296)                             | (3,787)                      | (21,033)                                | (6,021)                      |
| Share of profit/(loss) of equity-accounted investme<br>net of tax        | (141)                                | 455                          | 1,110                                   | 220                          |
| <b>Loss before tax</b>   | (16,437)                             | (3,332)                      | (19,923)                                | (5,801)                      |
| Taxation   | 84                                   | (26)                         | 763                                     | (526)                        |
| <b>Loss after tax</b>  | (16,353)                             | (3,358)                      | (19,160)                                | (6,327)                      |
| <b>Other comprehensive income/(loss), net of tax</b>                     |                                      |                              |   |                              |
| <b>Items that may be reclassified subsequently<br/>to profit or loss</b> |                                      |                              |   |                              |
| Foreign currency translation   | 1                                    | -                            | (6)                                     | -                            |
| <b>Total other comprehensive income/(loss)<br/>for the period</b>        | 1                                    | -                            | (6)                                     | -                            |
| <b>Total comprehensive loss for the period</b>                           | (16,352)                             | (3,358)                      | (19,166)                                | (6,327)                      |
| <b>Total comprehensive loss<br/>attributable to:</b>                     |                                      |                              |   |                              |
| Owners of the Company  | (16,352)                             | (3,358)                      | (19,166)                                | (6,327)                      |
| Minority interest  | -                                    | -                            | -                                       | -                            |
| <b>Total comprehensive loss for the<br/>period</b>                       | (16,352)                             | (3,358)                      | (19,166)                                | (6,327)                      |
| <b>Loss per share attributable<br/>to ordinary shareholders</b>          |                                      |                              |   |                              |
| EPS - Basic (sen)  | (16.41)                              | (3.37)                       | (19.23)                                 | (6.35)                       |
| EPS - Diluted (sen)  | N/A                                  | N/A                          | N/A                                     | N/A                          |

(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 2017 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 30 June 2018**

|   | Attributable to the Equity Holders of the Parent |                            |                                  |  | Total<br>RM'000       | Minority<br>interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|--|----------------------------|----------------------------------|--|-----------------------|--------------------------------|---------------------------|
|   | Non-distributable<br>Share<br>capital<br>RM'000  | Share<br>premium<br>RM'000 | Translation<br>Reserve<br>RM'000 | Distributable<br>Retained<br>profits<br>RM'000 |                       |                                |                           |
| <b>At 31 December 2017 (audited)</b>                                    | 122,338  | -                          | 6                                | 138,773  | 261,117               | -                              | 261,117                   |
| Adjustments from adoption of MFRS 15                                    | -  | -                          | -                                | (3,591)  | (3,591)               | -                              | (3,591)                   |
| <b>Restated balance as at 1 January 2018</b>                            | <u>122,338</u>                                   | <u>-</u>                   | <u>6</u>                         | <u>135,182</u>                                 | <u>257,526</u>        | <u>-</u>                       | <u>257,526</u>            |
| Total comprehensive loss for the period                                 | -  | -                          | (6)                              | (19,160)                                       | (19,166)              | -                              | (19,166)                  |
| <b>At 30 June 2018</b>  | <u><u>122,338</u></u>                            | <u><u>-</u></u>            | <u><u>-</u></u>                  | <u><u>116,022</u></u>                          | <u><u>238,360</u></u> | <u><u>-</u></u>                | <u><u>238,360</u></u>     |
| <b>At 1 January 2017</b>  | 99,645   | 22,693                     | -                                | 150,166  | 272,504               | -                              | 272,504                   |
| Transfer in accordance with Section 618(2)<br>of the Companies Act 2016 | 22,693   | (22,693)                   | -                                | -  | -                     | -                              | -                         |
| Total comprehensive loss for the period                                 | -  | -                          | -                                | (5,001)  | (5,001)               | -                              | (5,001)                   |
| <b>At 30 June 2017, as previously reported</b>                          | <u>122,338</u>                                   | <u>-</u>                   | <u>-</u>                         | <u>145,165</u>                                 | <u>267,503</u>        | <u>-</u>                       | <u>267,503</u>            |
| Adjustments from adoption of MFRS 15                                    | -  | -                          | -                                | (2,814)  | (2,814)               | -                              | (2,814)                   |
| <b>Restated balance as at 30 June 2017</b>                              | <u><u>122,338</u></u>                            | <u><u>-</u></u>            | <u><u>-</u></u>                  | <u><u>142,351</u></u>                          | <u><u>264,689</u></u> | <u><u>-</u></u>                | <u><u>264,689</u></u>     |
|   | (Note 1)   |                            |                                  |  |                       |                                |                           |

**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 2017 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 30 June 2018

|   | 30 June<br>2018<br>RM'000 | 30 June<br>2017<br>RM'000<br>(Restated) |
|---|---------------------------|---|
| <b><i>Cash flows from operating activities</i></b>  |                           |   |
| Loss before tax   | (19,923)                  | (5,801)                                 |
| Adjustments for:  |                           |   |
| Depreciation of property, plant and equipment   | 1,464                     | 1,424                                   |
| Depreciation of investment property   | 592                       | 650                                     |
| Gain on disposal of plant and equipment   | (76)                      | -                                       |
| Gain on disposal of asset held for sale   | (191)                     | -                                       |
| Share of (profit)/loss of equity-accounted investments, net of tax                            | (1,110)                   | (220)                                   |
| Interest expense  | 439                       | 486                                     |
| Interest income   | (453)                     | (254)                                   |
| Operating loss before changes in working capital  | <u>(19,258)</u>           | <u>(3,715)</u>                          |
| Changes in working capital:   |                           |   |
| Inventories   | 2,072                     | 11,759                                  |
| Receivables, deposits and prepayments   | 23,022                    | 18,106                                  |
| Payables and accruals   | 2,974                     | (15,222)                                |
| Cash generated from operations  | <u>8,810</u>              | <u>10,928</u>                           |
| Income taxes paid   | (235)                     | (1,304)                                 |
| <b>Net cash generated from operating activities</b>   | <u>8,575</u>              | <u>9,624</u>                            |
| <b><i>Cash flows from investing activities</i></b>  |                           |   |
| Acquisition of property, plant and equipment  | (313)                     | (288)                                   |
| Investment in joint venture company   | -                         | (675)                                   |
| Investment in associate   | -                         | (1,878)                                 |
| Interest received   | 453                       | 254                                     |
| Proceeds from disposal of plant and equipment   | 179                       | -                                       |
| Sales proceed from disposal of asset held for sales   | 1,500                     | -                                       |
| <b>Net cash generated from/(used in) from investing activities</b>                            | <u>1,819</u>              | <u>(2,587)</u>                          |
| <b><i>Cash flows from financing activities</i></b>  |                           |   |
| Interest paid   | (439)                     | (486)                                   |
| (Repayment)/Proceed from borrowings   | (13,300)                  | 7,100                                   |
| Repayment of finance lease liabilities  | (720)                     | (850)                                   |
| <b>Net cash (used in)/ generated from financing activities</b>                                | <u>(14,459)</u>           | <u>5,764</u>                            |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                                   | (4,065)                   | 12,801                                  |
| <b>Exchange differences on translation of the financial statement of foreign subsidiaries</b> | -                         | -                                       |
| <b>Cash and cash equivalents at beginning of period</b>                                       | 38,151                    | 15,060                                  |
| <b>Cash and cash equivalents at end of period</b>   | <u>34,086</u>             | <u>27,861</u>                           |
| <br>  |                           |   |
| Cash & bank balance   | 923                       | 6,650                                   |
| Deposits with licensed banks<br>(excluding deposits pledged)                                  | 33,163                    | 21,211                                  |
|   | <u>34,086</u>             | <u>27,861</u>                           |

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)