

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009**Condensed Consolidated Income Statement**

	3 MONTHS ENDED		CUMULATIVE 3 MONTHS ENDED	
	CURRENT QUARTER ENDED 31/03/2009 RM	COMPARATIVE QUARTER ENDED 31/03/2008 RM	CURRENT PERIOD ENDED 31/03/2009 RM	COMPARATIVE PERIOD ENDED 31/03/2008 RM
Revenue	30,237,540	24,402,941	30,237,540	24,402,941
Cost of sales	<u>(18,277,217)</u>	<u>(17,218,746)</u>	<u>(18,277,217)</u>	<u>(17,218,746)</u>
Gross profit	11,960,323	7,184,195	11,960,323	7,184,195
Other income	128,447	433,629	128,447	433,629
Distribution costs	(379,834)	(320,979)	(379,834)	(320,979)
Administrative expenses	(2,113,878)	(2,991,993)	(2,113,878)	(2,991,993)
Other expenses	(302,382)	(594,936)	(302,382)	(594,936)
Finance costs	(187,027)	(193,780)	(187,027)	(193,780)
Share of results of associates	<u>27,157</u>	<u>36,724</u>	<u>27,157</u>	<u>36,724</u>
Profit before tax	9,132,806	3,552,860	9,132,806	3,552,860
Income tax expense	<u>(2,557,214)</u>	<u>(1,157,012)</u>	<u>(2,557,214)</u>	<u>(1,157,012)</u>
Profit for the period	<u>6,575,592</u>	<u>2,395,848</u>	<u>6,575,592</u>	<u>2,395,848</u>
Attributable to:				
Equity holders of the parent	6,171,594	2,427,713	6,171,594	2,427,713
Minority interests	<u>403,998</u>	<u>(31,865)</u>	<u>403,998</u>	<u>(31,865)</u>
	<u>6,575,592</u>	<u>2,395,848</u>	<u>6,575,592</u>	<u>2,395,848</u>
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	<u>7.66</u>	<u>3.84</u>	<u>7.66</u>	<u>3.84</u>
Diluted, for profit for the period (sen)	<u>-</u>	<u>3.81</u>	<u>-</u>	<u>3.81</u>

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009**Condensed Consolidated Balance Sheet**

	UNAUDITED AS AT 31/03/2009 RM	AUDITED AS AT 31/12/2008 RM
ASSETS		
Non-current assets		
Property, plant & equipment	43,762,395	43,967,799
Prepaid land lease payments	43,867,711	44,102,545
Investment in associates	1,108,427	1,111,270
	<u>88,738,533</u>	<u>89,181,614</u>
Current assets		
Inventories	39,332,398	43,833,097
Trade receivables	50,160,832	41,278,563
Other receivables	339,091	934,609
Amount due from related companies	3,235	3,235
Short-term deposits	12,242,598	13,419,720
Cash and bank balances	4,093,286	1,585,410
	<u>106,171,440</u>	<u>101,054,634</u>
TOTAL ASSETS	<u>194,909,973</u>	<u>190,236,248</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	80,560,000	80,560,000
Share premium	17,245,723	17,245,723
Other reserves	6,985,109	6,985,109
Retained earnings	46,457,725	40,286,131
	<u>151,248,557</u>	<u>145,076,963</u>
Minority interests	<u>2,728,406</u>	<u>2,324,408</u>
Total equity	<u>153,976,963</u>	<u>147,401,371</u>
Non-current liabilities		
Borrowings	2,633,937	3,163,409
Deferred tax liabilities	2,261,712	2,139,115
	<u>4,895,649</u>	<u>5,302,524</u>
Current liabilities		
Borrowings	25,789,915	22,826,248
Trade payables	5,313,276	10,970,886
Amount due to customers for contract work	1,051,090	229,077
Other payables	1,798,329	2,084,317
Amount due to related companies	949,219	943,090
Current tax payable	1,135,532	478,735
	<u>36,037,361</u>	<u>37,532,353</u>
Total liabilities	<u>40,933,010</u>	<u>42,834,877</u>
TOTAL EQUITY AND LIABILITIES	<u>194,909,973</u>	<u>190,236,248</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009**Condensed Consolidated Statement of Changes in Equity**

	<----- Attributable to equity holders of the parent ----->				Total RM	Minority Interests RM	Total Equity RM
	Share Capital RM	<-----Non-Distributable-----> Share Premium RM	Other Reserves RM	Distributable Retained Earnings RM			
At 1 January 2008	63,152,750	865,239	7,065,242	33,789,596	104,872,827	3,292,312	108,165,139
Profit for the period	-	-	-	2,427,713	2,427,713	(31,865)	2,395,848
Total recognised income and expense for the period	-	-	-	2,427,713	2,427,713	(31,865)	2,395,848
Share options granted under ESOS	-	-	9,618	-	9,618	-	9,618
Share options exercised under ESOS	-	25,730	(25,730)	-	-	-	-
Issue of ordinary shares pursuant to ESOS	195,500	39,585	-	-	235,085	-	235,085
Share issue expenses written off	-	(50)	-	-	(50)	-	(50)
At 31 March 2008	<u>63,348,250</u>	<u>930,504</u>	<u>7,049,130</u>	<u>36,217,309</u>	<u>107,545,193</u>	<u>3,260,447</u>	<u>110,805,640</u>
At 1 January 2009	80,560,000	17,245,723	6,985,109	40,286,131	145,076,963	2,324,408	147,401,371
Profit for the period	-	-	-	6,171,594	6,171,594	403,998	6,575,592
Total recognised income and expense for the period	-	-	-	6,171,594	6,171,594	403,998	6,575,592
At 31 March 2009	<u>80,560,000</u>	<u>17,245,723</u>	<u>6,985,109</u>	<u>46,457,725</u>	<u>151,248,557</u>	<u>2,728,406</u>	<u>153,976,963</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 2008 and the accompanying explanatory notes attached to the interim financial statements.)

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009**Condensed Consolidated Cash Flow Statement**

	CUMULATIVE 3 MONTHS ENDED 31/03/2009 RM	CUMULATIVE 3 MONTHS ENDED 31/03/2008 RM
Profit before taxation	9,132,806	3,552,860
Adjustment for non-cash flow items:		
Depreciation of property, plant & equipment	971,010	936,965
Amortisation of prepaid land lease payments	234,832	101,582
Interest expense	187,027	193,780
Property, plant & equipment written off	3,644	10,257
Loss/(gain) on disposal of property, plant & equipment	56,535	(23,798)
Interest income	(61,899)	(175,826)
Share options granted under ESOS	-	9,618
Share of results of associates	(27,157)	(36,724)
Operating profit before changes in working capital	10,496,798	4,568,714
Changes in working capital		
Net (increase)/decrease in current assets	(4,185,579)	6,136,464
Net (decrease)/increase in current liabilities	(5,115,453)	3,598,236
Cash generated from operations	1,195,766	14,303,414
Interest paid	(187,027)	(193,780)
Taxation paid, net of refund (if any)	(1,378,294)	(1,073,493)
Net cash (used in)/generated from operating activities	(369,555)	13,036,141
Investing activities		
Proceeds from disposal of property, plant & equipment	68,000	23,800
Purchase of property, plant & equipment	(775,785)	(777,606)
Interest received	61,899	175,826
Dividend received	30,000	37,000
Net cash used in investing activities	(615,886)	(540,980)
Financing activities		
Proceeds from issue of shares	-	235,085
Share issue expenses	-	(50)
Net repayment of short-term borrowings	(2,954,000)	(10,693,000)
Repayment of lease financing	(209,805)	(226,752)
Net proceeds from/(repayment of) term loan	5,480,000	(390,000)
Net cash generated from/(used in) financing activities	2,316,195	(11,074,717)
Net change in cash and cash equivalents	1,330,754	1,420,444
Cash and cash equivalents at the beginning of the period	15,005,130	24,578,536
Cash and cash equivalents at the end of the period	16,335,884	25,998,980

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)