

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**Condensed Consolidated Statement of Comprehensive Income**

	3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
	CURRENT QUARTER ENDED 30/09/2010 RM	COMPARATIVE QUARTER ENDED 30/09/2009 RM	CURRENT PERIOD ENDED 30/09/2010 RM	COMPARATIVE PERIOD ENDED 30/09/2009 RM
Revenue	68,627,465	48,876,242	199,071,378	114,429,631
Cost of sales	(34,799,166)	(31,684,023)	(114,644,732)	(71,155,984)
Gross profit	33,828,299	17,192,219	84,426,646	43,273,647
Other income	822,361	357,460	2,377,562	809,652
Distribution costs	(477,422)	(357,529)	(1,363,242)	(1,273,028)
Administrative expenses	(2,479,077)	(2,351,121)	(7,295,976)	(6,576,963)
Other expenses	(608,595)	(325,925)	(1,798,080)	(954,197)
Finance costs	(74,352)	(169,857)	(404,137)	(535,772)
Share of results of associates	7,333	(9,128)	4,272	36,742
Profit before tax	31,018,547	14,336,119	75,947,045	34,780,081
Income tax expense	(7,638,805)	(3,278,680)	(19,073,611)	(8,884,326)
Profit for the period	23,379,742	11,057,439	56,873,434	25,895,755
Other Comprehensive Income				
Currency translation differences	170	-	138	-
Total Comprehensive Income for the period	23,379,912	11,057,439	56,873,572	25,895,755
Profit for the period attributable to:				
Owners of the parent	23,347,500	10,479,079	55,854,485	24,446,121
Minority interests	32,242	578,360	1,018,949	1,449,634
	23,379,742	11,057,439	56,873,434	25,895,755
Total Comprehensive Income for the period attributable to:				
Owners of the parent	23,347,670	10,479,079	55,854,623	24,446,121
Minority interests	32,242	578,360	1,018,949	1,449,634
	23,379,912	11,057,439	56,873,572	25,895,755
Earnings per share attributable to ordinary equity holders of the parent:				
Basic, for profit for the period (sen)	9.06	4.06	21.67	9.48
Diluted, for profit for the period (sen) - Not Applicable				

Basic earnings per share for the comparative quarter and period ended 30 September 2009 has been adjusted to take into account the effect of 3 for 5 Bonus share issue and 1 for 1 share split resulting in the increase in the number of ordinary shares.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 THIRD QUARTER ENDED 30 SEPTEMBER 2010**Condensed Consolidated Statement of Financial Position**

	UNAUDITED AS AT 30/09/2010 RM	AUDITED AS AT 31/12/2009 RM
ASSETS		
Non-current assets		
Property, plant & equipment	48,209,952	42,990,962
Prepaid land lease payments	42,458,720	43,163,218
Investment in associates	1,083,242	1,113,394
	<u>91,751,914</u>	<u>87,267,574</u>
Current assets		
Inventories	38,161,825	33,203,322
Trade receivables	55,414,448	55,058,048
Other receivables	2,104,278	1,023,238
Amount due from related companies	2,014,083	-
Short-term deposits	64,850,097	39,651,556
Cash and bank balances	3,462,551	2,654,419
	<u>166,007,282</u>	<u>131,590,583</u>
TOTAL ASSETS	<u>257,759,196</u>	<u>218,858,157</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	128,896,000	80,560,000
Share premium	-	17,245,723
Other reserves	6,985,247	6,985,109
Retained earnings	78,726,337	73,699,327
	<u>214,607,584</u>	<u>178,490,159</u>
Minority interests	<u>4,563,849</u>	<u>4,137,400</u>
Total equity	<u>219,171,433</u>	<u>182,627,559</u>
Non-current liabilities		
Lease payables	1,192,369	1,611,243
Deferred tax liabilities	2,516,298	2,682,657
	<u>3,708,667</u>	<u>4,293,900</u>
Current liabilities		
Borrowings	185,680	12,603,680
Lease payables	902,088	1,032,258
Trade payables	19,108,920	10,004,911
Amount due to customers for contract work	701,127	1,113,756
Other payables	2,112,857	3,080,108
Amount due to related companies	-	1,062,297
Current tax payable	11,868,424	3,039,688
	<u>34,879,096</u>	<u>31,936,698</u>
Total liabilities	<u>38,587,763</u>	<u>36,230,598</u>
TOTAL EQUITY AND LIABILITIES	<u>257,759,196</u>	<u>218,858,157</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 THIRD QUARTER ENDED 30 SEPTEMBER 2010**Condensed Consolidated Statement of Changes in Equity**

	<----- Attributable to owners of the parent ----->					Minority Interests	Total Equity
	Share Capital RM	<-----Non-Distributable-----> Share Premium RM	Other Reserves RM	Distributable Retained Earnings RM	Total RM		
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
Total comprehensive income for the period	-	-	-	24,446,121	24,446,121	1,449,634	25,895,755
First and Final dividend for FYE 31 December 2008	-	-	-	(3,020,998)	(3,020,998)	-	(3,020,998)
At 30 September 2009	<u>80,560,000</u>	<u>17,245,723</u>	<u>6,985,109</u>	<u>61,711,254</u>	<u>166,502,086</u>	<u>3,774,042</u>	<u>170,276,128</u>
At 1 January 2010	80,560,000	17,245,723	6,985,109	73,699,327	178,490,159	4,137,400	182,627,559
Effect arising from adoption of FRS 139	-	-	-	-	-	-	-
At 1 January 2010, as restated	<u>80,560,000</u>	<u>17,245,723</u>	<u>6,985,109</u>	<u>73,699,327</u>	<u>178,490,159</u>	<u>4,137,400</u>	<u>182,627,559</u>
Total comprehensive income for the period	-	-	138	55,854,485	55,854,623	1,018,949	56,873,572
Dividend paid to minority shareholder of a subsidiary	-	-	-	-	-	(592,500)	(592,500)
First and Final dividend for FYE 31 December 2009	-	-	-	(10,069,998)	(10,069,998)	-	(10,069,998)
Interim dividend for FYE 31 December 2010	-	-	-	(9,667,200)	(9,667,200)	-	(9,667,200)
Bonus issue	48,336,000	(17,245,723)	-	(31,090,277)	-	-	-
At 30 September 2010	<u>128,896,000</u>	<u>-</u>	<u>6,985,247</u>	<u>78,726,337</u>	<u>214,607,584</u>	<u>4,563,849</u>	<u>219,171,433</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 2009 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 THIRD QUARTER ENDED 30 SEPTEMBER 2010**Condensed Consolidated Statement of Cash Flows**

	CUMULATIVE 9 MONTHS ENDED 30/09/2010 RM	CUMULATIVE 9 MONTHS ENDED 30/09/2009 RM
Profit before taxation	75,947,045	34,780,081
Adjustments for:		
Depreciation of property, plant & equipment	3,087,929	2,890,826
Amortisation of prepaid land lease payments	704,496	704,496
Interest expense	404,137	535,772
Property, plant & equipment written off	2,490	3,646
(Gain)/loss on disposal of property, plant & equipment	(193,496)	56,535
Impairment of goodwill	8,364	-
Interest income	(1,187,398)	(170,707)
Share of results of associates	(4,272)	(36,742)
Operating profit before changes in working capital	<u>78,769,295</u>	<u>38,763,907</u>
Changes in working capital		
Net increase in current assets	(8,410,293)	(10,671,682)
Net increase/(decrease) in current liabilities	<u>6,661,823</u>	<u>(3,947,454)</u>
Cash generated from operations	77,020,825	24,144,771
Interest paid	(404,137)	(535,772)
Taxation paid, net of refund (if any)	<u>(10,410,970)</u>	<u>(4,781,213)</u>
Net cash generated from operating activities	<u>66,205,718</u>	<u>18,827,786</u>
Investing activities		
Proceeds from disposal of property, plant & equipment	193,500	68,000
Purchase of property, plant & equipment	(8,009,411)	(1,920,873)
Net cash inflow from acquisition of a subsidiary	26,072	-
Interest received	1,187,398	170,707
Dividend received	-	30,000
Net cash used in investing activities	<u>(6,602,441)</u>	<u>(1,652,166)</u>
Financing activities		
Dividend paid to shareholders of the Company	(19,737,198)	(3,020,998)
Dividend paid to minority shareholder of a subsidiary	(592,500)	-
Net repayment of short-term borrowings	(5,248,000)	(16,602,000)
Repayment of lease financing	(849,044)	(669,962)
Net (repayment of)/proceeds from term loan	<u>(7,170,000)</u>	<u>4,700,000</u>
Net cash used in financing activities	<u>(33,596,742)</u>	<u>(15,592,960)</u>
Net change in cash and cash equivalents	26,006,535	1,582,660
Effect of exchange rate changes	138	-
Cash and cash equivalents at the beginning of the period	<u>42,305,975</u>	<u>15,005,130</u>
Cash and cash equivalents at the end of the period	<u>68,312,648</u>	<u>16,587,790</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.)