

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**Condensed Consolidated Statement of Comprehensive Income**

	3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	CURRENT QUARTER ENDED 31/12/2010 RM	COMPARATIVE QUARTER ENDED 31/12/2009 RM	CURRENT PERIOD ENDED 31/12/2010 RM	COMPARATIVE PERIOD ENDED 31/12/2009 RM
Revenue	69,565,945	62,086,748	268,637,323	176,516,379
Cost of sales	<u>(35,506,136)</u>	<u>(40,320,917)</u>	<u>(150,150,868)</u>	<u>(111,476,901)</u>
Gross profit	34,059,809	21,765,831	118,486,455	65,039,478
Other income	1,483,987	418,025	3,861,549	1,227,677
Distribution costs	(619,268)	(399,018)	(1,982,510)	(1,672,046)
Administrative expenses	(5,639,319)	(4,105,980)	(12,935,295)	(10,682,943)
Other expenses	(837,079)	(458,626)	(2,635,159)	(1,412,823)
Finance costs	(107,616)	(172,135)	(511,753)	(707,907)
Share of results of associates	67,114	(4,618)	71,386	32,124
Profit before tax	28,407,628	17,043,479	104,354,673	51,823,560
Income tax expense	<u>(7,279,901)</u>	<u>(4,692,048)</u>	<u>(26,353,512)</u>	<u>(13,576,374)</u>
Profit for the period	21,127,727	12,351,431	78,001,161	38,247,186
Other Comprehensive Income				
Currency translation differences	<u>585</u>	<u>-</u>	<u>723</u>	<u>-</u>
Total Comprehensive Income for the period	21,128,312	12,351,431	78,001,884	38,247,186
Profit for the period attributable to:				
Owners of the parent	21,042,339	11,988,073	76,896,824	36,434,194
Minority interests	<u>85,388</u>	<u>363,358</u>	<u>1,104,337</u>	<u>1,812,992</u>
	<u>21,127,727</u>	<u>12,351,431</u>	<u>78,001,161</u>	<u>38,247,186</u>
Total Comprehensive Income for the period attributable to:				
Owners of the parent	21,042,924	11,988,073	76,897,547	36,434,194
Minority interests	<u>85,388</u>	<u>363,358</u>	<u>1,104,337</u>	<u>1,812,992</u>
	<u>21,128,312</u>	<u>12,351,431</u>	<u>78,001,884</u>	<u>38,247,186</u>
Earnings per share attributable to ordinary equity holders of the parent:				
Basic, for profit for the period (sen)	<u>8.16</u>	<u>4.65</u>	<u>29.83</u>	<u>14.13</u>
Diluted, for profit for the period (sen) - Not Applicable				

Basic earnings per share for the comparative quarter and period ended 31 December 2009 has been adjusted to take into account the effect of 3 for 5 Bonus share issue and share split involving subdivision of every one existing shares of RM1.00 each into two ordinary shares of RM0.50 each 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

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INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**Condensed Consolidated Statement of Financial Position**

	UNAUDITED AS AT 31/12/2010 RM	AUDITED AS AT 31/12/2009 RM (Restated)
ASSETS		
Non-current assets		
Property, plant & equipment	94,895,159	86,154,180
Investment in associates	1,139,408	1,113,394
	<u>96,034,567</u>	<u>87,267,574</u>
Current assets		
Inventories	38,674,289	33,203,322
Trade receivables	38,859,403	55,058,048
Other receivables	426,884	1,023,238
Amount due from a related company	5,712,685	-
Short-term deposits	93,024,703	39,651,556
Cash and bank balances	10,484,109	2,654,419
	<u>187,182,073</u>	<u>131,590,583</u>
TOTAL ASSETS	<u>283,216,640</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	6,985,832	6,985,109
Retained earnings	99,439,890	73,699,327
	<u>235,321,722</u>	<u>178,490,159</u>
Minority interests	<u>4,649,237</u>	<u>4,137,400</u>
Total equity	<u>239,970,959</u>	<u>182,627,559</u>
Non-current liabilities		
Lease payables	2,868,064	1,611,243
Deferred tax liabilities	2,648,628	2,682,657
	<u>5,516,692</u>	<u>4,293,900</u>
Current liabilities		
Borrowings	-	12,603,680
Lease payables	1,480,144	1,032,258
Trade payables	22,044,375	10,004,911
Amount due to customers for contract work	4,273,555	1,113,756
Other payables	5,014,251	3,080,108
Amount due to related companies	-	1,062,297
Current tax payable	4,916,664	3,039,688
	<u>37,728,989</u>	<u>31,936,698</u>
Total liabilities	<u>43,245,681</u>	<u>36,230,598</u>
TOTAL EQUITY AND LIABILITIES	<u>283,216,640</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.)

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INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**Condensed Consolidated Statement of Changes in Equity**

	<----- Attributable to owners of the parent ----->				Total RM	Minority Interests RM	Total Equity RM
	Share Capital RM	<-----Non-Distributable----->		Distributable Retained Earnings RM			
	Share Premium RM	Other Reserves 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	-	-	-	36,434,194	36,434,194	1,812,992	38,247,186
First and Final dividend for FYE 31 December 2008	-	-	-	(3,020,998)	(3,020,998)	-	(3,020,998)
At 31 December 2009	<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>
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
Effects of adopting FRS 139	-	-	-	(328,786)	(328,786)	-	(328,786)
At 1 January 2010, as restated	<u>80,560,000</u>	<u>17,245,723</u>	<u>6,985,109</u>	<u>73,370,541</u>	<u>178,161,373</u>	<u>4,137,400</u>	<u>182,298,773</u>
Total comprehensive income for the period	-	-	723	76,896,824	76,897,547	1,104,337	78,001,884
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 31 December 2010	<u>128,896,000</u>	<u>-</u>	<u>6,985,832</u>	<u>99,439,890</u>	<u>235,321,722</u>	<u>4,649,237</u>	<u>239,970,959</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

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INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**Condensed Consolidated Statement of Cash Flows**

	CUMULATIVE 12 MONTHS ENDED 31/12/2010 RM	CUMULATIVE 12 MONTHS ENDED 31/12/2009 RM (Restated)
Profit before taxation	104,354,673	51,823,560
Adjustments for:		
Depreciation of property, plant & equipment	5,059,921	4,807,403
Interest expense	511,753	707,907
Property, plant & equipment written off	4,660	3,648
(Gain)/loss on disposal of property, plant & equipment	(193,496)	58,786
Impairment loss on trade receivables	379,187	-
Impairment of goodwill	8,364	-
Interest income	(2,150,016)	(309,774)
Share of results of associates	(71,386)	(32,124)
Operating profit before changes in working capital	107,903,660	57,059,406
Changes in working capital		
Net decrease/(increase) in current assets	5,233,947	(3,635,225)
Net increase in current liabilities	16,071,098	1,033,702
Cash generated from operations	129,208,705	54,457,883
Interest paid	(511,753)	(707,907)
Taxation paid, net of refund (if any)	(24,506,296)	(10,071,758)
Net cash generated from operating activities	104,190,656	43,678,218
Investing activities		
Proceeds from disposal of property, plant & equipment	193,500	68,000
Purchase of property, plant & equipment	(10,894,072)	(2,296,673)
Net cash inflow from acquisition of a subsidiary	26,072	-
Interest received	1,826,120	309,774
Dividend received	-	30,000
Net cash used in investing activities	(8,848,380)	(1,888,899)
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)	(15,179,000)
Repayment of lease financing	(1,206,784)	(598,476)
Net (repayment of)/drawdown from term loan	(7,355,680)	4,310,000
Net cash used in financing activities	(34,140,162)	(14,488,474)
Net change in cash and cash equivalents	61,202,114	27,300,845
Effect of exchange rate changes	723	-
Cash and cash equivalents at the beginning of the period	42,305,975	15,005,130
Cash and cash equivalents at the end of the period	103,508,812	42,305,975

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